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Reagan's Proposed Cuts: A Fundamental Gamble for U.S., Republicans

By Hedrick Smith

WASHINGTON — For all the bold and unbridled confidence in President Reagan's address...

magitude than any since the early New Deal period. If Mr. Reagan is successful, his speech may be looked back upon as a political turning point...

NEWS ANALYSIS

and surely must be able to see it doesn't work," he declared, to a round of applause from a conservative-minded Congress.

ed but widely questioned by some reputable economists. "It's so far out, so unusual, so against-the-grain of the American people who want a balanced budget that it's got to succeed or Reagan's in trouble," commented Rep. Morris K. Udall, D-Ariz.

Implicitly, Mr. Reagan conceded the point in his speech. He acknowledged that some economists believe that tax cuts now are inflationary. But he rested his case on his own advisers, citing the growth-generating precedents of other tax cuts earlier this century...

Confidently, the Reagan white paper on the economic program listed the important yardsticks. The budget would be balanced by 1984, it said. The inflation rate would drop from 11.1 percent in 1981 to 8.3 percent in 1982 and 5.5 percent in 1984.

For Mr. Reagan, the first hurdle is getting his program accepted by Congress. Although opposition to various spending cuts has already begun to surface, White House strategists contend that the Democrats are not likely to block the Reagan program outright...

his plan but "our plan." That won him a standing ovation. The White House has carefully constructed its package to make it politically attractive by preserving seven basic social programs as a "safety net" for the "truly needy" and insisting that all other budget cuts fall equitably on other programs...

Powerful Democrats on the House Budget Committee and the House Ways and Means Committee have already spoken of tilting the tax-cut package more toward lower-income groups. A move that Mr. Reagan's economic advisers have resisted with the argument that tax cuts to higher-bracket taxpayers are more likely to end up in savings for investment to expand U.S. industry.

tion by Congress completed in the next 90 days while Republicans and some Democrats feel the pressure of Mr. Reagan's momentum.

Under a procedure known as budget reconciliation, the budget committees in both houses, and later the full chambers, enact one overall package and force the appropriations and legislative committees to cut all sorts of programs to conform to the budget resolution. Without such a vehicle for forcing discipline on the labyrinth of congressional committees, some legislative experts are skeptical that the administration can work its package through Congress.

J.S. Aide Discloses Salvador Evidence

By Joseph Fichtel

WASHINGTON — A U.S. State Department official Thursday disclosed evidence that the United States government is aware of extensive U.S. allegations of extensive U.S. aid to Cuban military aid to the El Salvador fighting.

French assistance to friendly African countries — provided that the United States avoided any appearance of waging an old-fashioned colonial war and demonstrated Communist interference.

Outlining the U.S. dossier to reporters, the State Department official, who asked not to be named, said that captured guerrilla documents, corroborated by U.S. intelligence, showed that the Soviet Union last year arranged for Salvadoran leftists to get between 600 and 1,000 tons of weapons ranging from automatic rifles and machine guns to 81-mm. mortars and 57-mm. recoilless rifles.



Lawrence Eagleburger, U.S. assistant secretary of state-designate for European affairs, leaves the British Foreign Office in London on Thursday after discussions on El Salvador with Sir Ian Gilmour, deputy to Foreign Secretary Lord Carrington.

Spending Plan Accelerates Military Outlays

By Michael Getler

WASHINGTON — President Reagan has put the U.S. government's money behind his longstanding pledge to "rebuild the nation's defenses" by proposing a \$169.5-billion boost in military spending beyond levels already planned over the next five years while proposing across-the-board budget cuts in all other areas of federal spending.

The president, in the "Program for Economic Recovery" unveiled Wednesday, said that strengthening U.S. military power is one of two "overriding priorities" that guided his decision to recommend cutting about \$41.4 billion from other agencies while increasing the Pentagon budget even faster than the Carter administration proposed.

The administration argued that the growth of Soviet military power over the past decade threatened to undermine the ability of the United States to deter an armed attack on its interests in the 1980s. Not only does U.S. readiness to increase its military power, the report said, but U.S. ability to "prevail" in response to aggression must be improved, if deterrence fails.

The presidential report contended that Moscow had invested \$300 billion more than the United States in the military since the late 1960s. "The consequences of permitting a growing divergence of military power to persist during the 1980s are so fraught with danger" that a major five-year effort is required, the report said.

Though the Pentagon's budget is the only one with any significant increases, more were no details Wednesday about its content because the vast bulk of the report dealt with how much the government is economizing.

- More than a third of President Reagan's proposed spending cuts would come from programs primarily aiding the poor. President Reagan's hope for an early tax cut has run into doubt on Capitol Hill. Some congressional leaders predict that legislative work may continue for the rest of this year. Despite Mr. Reagan's proposals, the federal tax burden would still rise this year before receding by 1984.

administration, which called for military spending to grow from roughly \$138 billion this year to \$293 billion in 1986. The Pentagon has promised some details on what this money will buy when Defense Secretary Casper W. Weinberger goes to Congress with the program next week. Meanwhile, the available figures tell far less than the whole story about the sweeping increases in store for the military about how to compare them with the previous administration and about how the Pentagon might also contribute to some savings.

President Proposes Substantial Cuts in Foreign Economic Development Aid

By John M. Goshko

WASHINGTON — Despite a strenuous fight by Secretary of State Alexander M. Haig Jr., the Reagan administration's proposals for non-military foreign aid during fiscal 1982 represent a drastic cutback of U.S. economic development assistance activities.

The plan made public Wednesday describes expenditures of \$5.3 billion — a 26 percent cut from former President Jimmy Carter's proposed budget. Although the State Department Wednesday night described the proposal as "a good result" that will not impair the effectiveness of the foreign aid program, it clearly represented a victory for Budget Director David A. Stockman over State Department officials, including Mr. Haig, who had hoped to prevent such deep cuts.

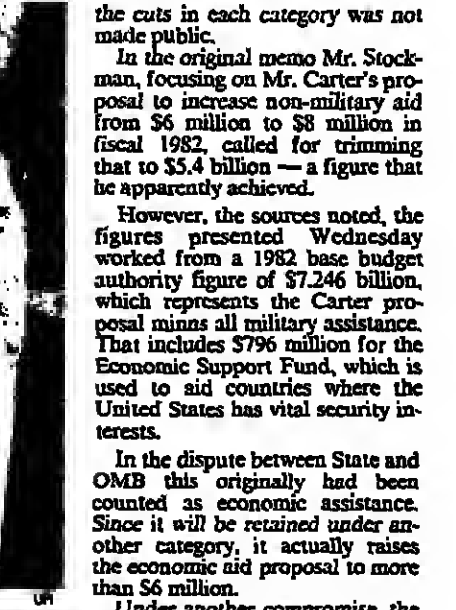
That, these officials said, was because of a mutual agreement to separate from the foreign aid dispute almost \$800 million in one special category of aid — a figure that will be covered elsewhere in the budget and that actually brings the amount being asked for economic assistance to slightly more than \$6 billion.

Currency Market Reacts Skeptically to Reagan Cuts

By Carl Gewirtz

PARIS — From Tokyo to Singapore to Western Europe and then New York, reaction Thursday to President Reagan's economic package outlined Wednesday night to a joint session of Congress was a uniform "show me."

European and U.S. reaction became confused when the West German central bank, in surprising tandem with the Swiss National Bank, announced measures aimed at narrowing the very wide gap between interest rates available on the Deutsche mark and Swiss franc and rates available on dollars. The differential, ranging up to 10 percentage points, has been drawing money to the dollar.



President Reagan before Congress Wednesday.

to later years, principally in the form of U.S. pledges to multilateral lending institutions. These maneuvers appeared to be a mutual face-saving way of papering over some of the differences that surfaced three weeks ago with talks to the press of an Office of Management and Budget memo calling for the most drastic cuts in the history of the foreign aid program.

Industry Loses Enthusiasm for Thatcher

Industry Loses Enthusiasm for Thatcher

By Jonathan Kendall

BIRMINGHAM, England — When Prime Minister Margaret Thatcher was swept into power 21 months ago, there was a palpable excitement among the industrialists of Birmingham and the West Midlands, the manufacturing heart of Britain.

At last, there was a government that seemed committed to wringing inflation out of the system, heaving efforts to rein in unmet demands and raise productivity, and, above all, listening sympathetically to the business community's views of what was wrong with the economy.

they are operating at less than 50 percent capacity. Local investment has collapsed. Profits for most companies have vanished.

Evidence of economic depression is everywhere. Glass tower buildings in Birmingham's center prominently advertise office space, with little response. Clearance sales attract few customers in the downtown stores. Even in mid-afternoon, smoky bars are filled with jobless youths and adults seemingly oblivious to the glare of the

TROUBLED BRITAIN

Second in a series of three articles examining the British economy.

At the very least, the Midlands industrialists are demanding that the government sharply cut interest rates for loans which have hovered between 17 and 20 percent. But beyond that, the business community seems largely at a loss about how to deal with the region's worsening problems. There is widespread agreement that because of oil revenues the pound has risen to such high levels that British manufactured products are finding it difficult to compete in markets at home and abroad. Yet there few suggestions are advanced in the Midlands on how the government could force a drop in the currency.

statements from ranking government officials suggesting that traditional industries, like the motor vehicle and metallurgical factories of the Midlands, will eventually have to give way to more modern, competitive economic activities.

Businessmen continue to insist that private enterprise has borne the brunt of the recession, and that the government has failed in its promises to cut spending. But they concede that much of the increase in public outlays has gone to finance the growing jobless rolls and subsidize a significant part of their active labor force.

Poland Appears Closer to Calm As Last Strike Nears Settlement

By Thomas W. Netter

WARSAW — After months of turmoil, Poland was nearly strike free Thursday as farmers in a remote mountain village near the Soviet border were expected to approve an agreement ending the nation's last known labor protest.

A spokesman for the Gdansk headquarters of the independent trade union Solidarity said settlement of farmer protests in southeastern Poland could finally end the nationwide strikes that started in August.

The settlement came a week after Poland's new premier, Gen. Wojciech Jaruzelski took office with a plea for a 90-day labor truce and promised a government of dialogue and negotiation.

Prospects for calm increased Thursday when students across the nation cancelled protests one by one as word spread of an agreement ending a month-long student strike in Lodz.

Meanwhile, farmers occupying a headquarters building of the old government-run union in Rzeszow said they would leave as soon as an agreement they signed early Thursday was approved by 20 farmers holding a sit-in at Solidarity offices in Ustrzyki Dolne, a remote village of 5,000 people tucked in a mountain valley eight miles from the Soviet border.

Both government media and spokesmen for the Ustrzyki Dolne farmers were optimistic that the issue was all but settled.

This week Gen. Jaruzelski met the Soviet and East bloc ambassadors and Polish Communist Party leader Stanislaw Kania went to Czechoslovakia and East Germany where he received assurances of understanding and economic assistance.

Poland's Warsaw Pact neighbors have kept a close watch on the labor strife, criticizing "anti-Socialist" elements for whipping up trouble by workers and students and accusing Solidarity of challenging Communist rule.

Solidarity leader Lech Walesa, who signed the Rzeszow agreement, said the potentially troubling issue of a private farmers union would be included in future talks with a government commission drafting a new union law promised strikers last year.

EEC Chief Sees No PLO Action

THE HAGUE — The European Economic Community does not consider formal recognition of the Palestine Liberation Organization as an urgent matter, EEC Commission President Gaston Thorn said Thursday.

Asked about Arab newspaper reports that the EEC would shortly grant such recognition, he told a news conference: "I don't think this problem has the highest priority."

Speaking after talks with Dutch government officials, he said Common Market states could not officially recognize an organization which did not have sovereign control over a territory.

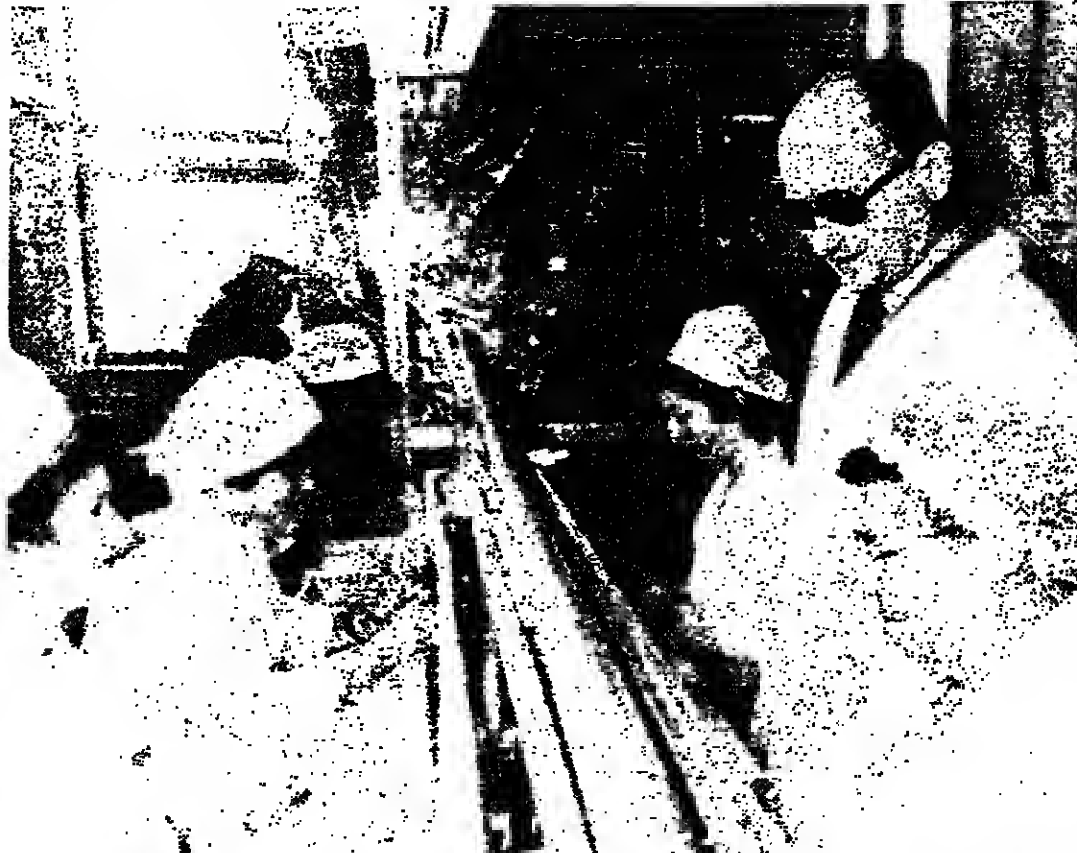
The protests there and in Rzeszow began over registration of a union of independent farmers under the name Rural Solidarity. But that issue has been delayed for later discussion, a Solidarity spokesman in Rzeszow said.

The compromise approved by students in Lodz, seeking academic and social reforms, was signed Wednesday. Students won registration of a nationwide independent students' association.

A period of calm and order would enable Poland's leaders to present a positive picture to other East bloc leaders at Monday's opening of the Soviet Communist Party Congress in Moscow.

The private farmers, who own 68 percent of Poland's agricultural land and produce 78 percent of its food, were denied a union by the Supreme Court last week on the legal ground that they are not employees. The farmers rejected the court's offer to let them register as an association, which could not call strikes or bargain collectively for the farmers.

The Rzeszow agreement also recognizes "individual farms" as a "permanent element" in Poland where most agriculture is in the hands of private farmers. In addition, a commission will study improvements of rural schools and health services and private farmers will have the same access as state farms to machinery and credit.



Gen. Wojciech Jaruzelski, the Polish premier, visiting a pharmaceutical factory near Warsaw.

Iran Islam Party Fights Back at Critics

By Bernd Debusmann

TEHRAN — Iran's dominant Islamic Republican Party, the target of mounting attacks, hit back at its opponents Thursday by declaring that criticism of the party meant criticism of Islam itself.

The party responded to increasingly bitter criticism in a long-running power struggle between Islamic fundamentalists and less doctrinaire Iranians supporting President Abolhasan Bani-Sadr.

"The IRP, more than any other political organization, has been attacked from inside and outside the country, and the best figures of the party have been assassinated by agents of imperialism," the party said in a statement published in its newspaper, Islamic Republic.

"We must know that all attacks being made on the party throughout the world are because of its Islamic nature and that [those involved] are not just the enemies of the IRP but those of Islam."

Anniversary Remarks

Opponents of the IRP, including former Premier Mehdi Bazargan and 39 fellow members of the Majlis, have criticized the way Iran is developing, and said Wednesday that political violence was pushing the country toward anarchy.

The statement was issued to mark the second anniversary of the formation of the IRP, which has systematically taken control in Iran, dominating the government, parliament, the judiciary, the main security organizations and large sections of the mass media.

The statement accused domestic critics of the party of playing into the hands of Iran's enemies. It said that there was an "anti-Islamic and anti-Iranian plan on a massive scale, to the extent that most of the propaganda of the Western mass media is direct propaganda against the IRP and its founders."

It added: "In the past two years, about 63 percent of the Voice of America's Farsi [Persian-language] program was direct propaganda against the IRP, [as was] 48 percent of the program of Radio Israel, 52 percent of the BBC and 57 percent of French radio. This shows the extent of hatred of world imperialism toward the IRP as a political, popular and Islamic organization."

Iraqi Opposition Groups Grope for Minimal Unity

By Jonathan C. Randal

DAMASCUS — Leaders representing various Iraqi opposition groups here are convinced that Iraqi President Saddam Hussein's war with Iran will be his doom, but some do not want him to fall too soon.

Their chief worry is that they are not ready. The state of Iraqi opposition, made up of three or four distinct groupings with partially interchangeable memberships, has the more thoughtful leaders concerned.

"The opposition inside and outside Iraq is not satisfactorily organized," said one leader, suggesting at least four or five more months were necessary to solidify even minimal consensus.

Based in Iran and Syria, the various opposition groups are groping for working relationships well short of the unity which would facilitate their common task.

Recurring Nightmare

Although some opposition leaders have the recurring nightmare that Saddam Hussein could be eliminated before they are ready, they have a healthy respect for his ability to remain in power at least another year.

Mindful of the decade of turmoil that was Iraq's lot after the overthrow of the monarchy in 1958, these leaders fear that without agreement on a basic program they cannot rule out the possibility that the regime's collapse could lead to large-scale bloodletting and even civil war.

Now, in that case, are they sanguine about presenting the vicarious spill-over to other oil-producing Gulf states.

The major fronts — the National Islamic Liberation Front, the National Democratic Front and the Majlis Ulema — emerged either just before or after the outbreak of the Iran-Iraq war in September, 1980.

The NDF — grouping Iraqi Communists in exile, Jalal Talebani's Kurdish Democratic Union and seven smaller parties — appears to have the official favor of Syria's Ba'ath Party regime, which has installed Ba'ath stalwarts in the Iraqi party's ranks.

But the Damascus authorities are also aiding the NILF, a more significant group that was described by one of its leaders as "the strongest of the weak."

Resurgent Branch

It embraces the resurgent Iraqi branch of the Kurdish Democratic Party, led now by the late Gen. Mulla Mustafa Barzani's two sons, Idriss and Masoud. The KDP almost brought Saddam Hussein to his knees in 1975 before the late shah of Iran withdrew crucial support.

Other NILF members are the Shiite Iraqi Mujahideen led by ex-Gen. Mehdi Hakim — said to be the most effective opposition force inside Iraq today — and dissident soldiers headed by Gen. Hassan Nakib, as well as pro-Syrian Iraqi Ba'athists and other less prominent personalities.

The Majlis Ulema, or mullahs' parliament, is run from Iran by Mehdi Hakim's brother Bakr. It is staffed by Iraqi ayatollahs strongly influenced by their Iranian counterparts.

The fourth front, active in northern Iraq, groups the Barzanis, their Kurdish ally Mahmood Osman of the Kurdish Socialist Party and Iraqi Communists, all of whom belong separately to either the National Democratic or the National Islamic Liberation fronts.

'Vital Minimum'

Technically outside these groupings is Dawa, or the Call, the once-powerful Iraqi-based group that is said to have declined sharply since the Baghdad regime last April executed its leader, Ayatollah Sayed Mohammed Baqer Sadr.

Sympomatic of the NILF's problems is its failure to achieve a positive working relationship with forces inside Dawa. Such an understanding was described as the "vital minimum" needed to get major opposition leaders outside Iraq to work together.

The National Democratic Front shows little interest in collaborating with the NILF. And so far NILF leaders here are not in direct communication with Dawa or the Majlis Ulema. The leaders ooze optimism, however, that such talks have been accepted in principle and are supposed to take place soon in Iran.

In order to attract the widest possible number of Iraqis of all political and religious persuasions, the NILF program calls for parliamentary rule, general elections to decide on the lay or religious nature of the future regime, outlawing military dictatorship, liberal economy and full autonomy for the Kurds short of partition or independence.

Islamic Front leaders in Damascus expressed concern last Ayatollah Ruhollah Khomeini and other Iranian Shiite leaders insist that any future Iraqi regime be a carbon copy of Tehran's Islamic revolution.

Iraq is more evenly divided between Shiite and Sunni Muslims than Iran, although about 60 percent of Iraqis are thought to be Shiite.

One source of weakness for the Iraqi opposition is the bad blood between rival Kurdish groups pitting those loyal to the Barzanis against Mr. Talebani's forces.

But opposition leaders were buoyed by the quality and quantity of the information they are receiving from inside Iraq since the war started.

Palme in Tehran

TEHRAN (Reuters) — Special UN envoy Olof Palme arrived in Tehran from Baghdad Thursday on his third attempt to mediate the five-month-old war between Iran and Iraq, but the state radio reiterated Iran's rejection of negotiations before an Iraqi troop withdrawal.

"The process towards peace is difficult, but I think we are making some headway," the former Swedish premier told reporters on arrival. Mr. Palme said that he would stay in Tehran for a couple of days and did not know which Iranian leaders he would meet.

State radio earlier broadcast a commentary saying: "Those who seek peace must force Iraq to withdraw its forces from Iran, and until these forces have withdrawn... we will not accept negotiations. Both the Ba'athist regime [of Iraq] and the UN representative must accept this fact, otherwise their efforts will be fruitless."

WORLD NEWS BRIEF

W. German Group to Protest Nuclear Arms

KARLSRUHE, West Germany — The country's biggest environmentalist group called Thursday for demonstrations against U.S. weapons installations in West Germany.

The Citizens' Initiative for Environmental Protection, which has organized protests against nuclear power plants, said attention should be focused on three major nuclear weapons sites operated by U.S. here. The United States is thought to have between 3,000 U.S. nuclear weapons of various types stationed in West Germany.

The group's statement singled out U.S. air bases at Ramstein, Spangdahlem and Hahn, which were named as nuclear weapons sites in a week's edition of Stern magazine. The environmental group claims 300,000 members, "serves notice to the locations where weapons are stationed of large demonstrations similar to those already held at the atomic power plants," the statement said.

Rogers Warns of Growing Soviet Superiority

WASHINGTON — Gen. Bernard Rogers, NATO commander Thursday said the growth and increasing superiority of military power, together with allied reluctance to increase defense, has put the Atlantic alliance in jeopardy.

In short, the general told the House Armed Services Committee growth and modernization of the Soviet military has resulted in increasingly adverse force balance between the Warsaw Pact and NATO.

"In my opinion, NATO has now been surpassed — or soon will be — in all categories of forces necessary to implement its strategy, as nuclear, theater nuclear and conventional," he said. He called on NATO to back up their rhetoric, to follow through on their decision to modernize NATO's theater nuclear weapons and to look beyond 1985 — mainly to the Middle East — as a region that needs allied defense.

Nonwhites Face Eviction Trials in S. Africa

JOHANNESBURG — The South African government is going to the prosecution of hundreds of nonwhites living illegally in areas of this city despite warnings that the move will set off a national outcry.

An estimated 600 people — blacks, Indians and persons of mixed race — face charges under the Group Areas Act after two appeals in court failed. The trials will begin on March 2, a public prosecutor said Wednesday, and are expected to continue for the next four months.

City councillors and community leaders said the prosecutions leave hundreds of families homeless. Opposition legislator Cecil Mchunu said the "shocking and inhuman" decision stripped the liberals from Prime Minister Pieter W. Botha, who has pledged to do some facets of apartheid.

Moscow Denies Reports of Blast at KGB

MOSCOW — The Foreign Ministry Thursday dismissed reports of a bomb explosion in Moscow last Monday in which a top KGB security police was said to have been killed.

The Moscow correspondents of the Corriere della Sera of Milan and La Stampa of Turin, which published the report, "appear to be confused the Soviet Union with Italy," a ministry spokesman said in reference to the terrorism in Italian cities.

The published reports, citing unnamed Soviet sources, said the explosion took place on Kirov Street near the KGB headquarters of Zhenskaya Square. Several Western correspondents were unable today to obtain corroboration from their Soviet sources.

Spain's Cortes Debates Calvo Sotelo Progress

MADRID — The Cortes began a confidence debate Thursday under a new centrist government program proposed Wednesday by Prime Minister Leopoldo Calvo Sotelo. The conservative press in Spain, however, is gloomy about the future of the government.

The debate is to last until Friday evening when the lower house will vote.

Meanwhile, plainclothes police in Bilbao announced a 10-day rule in protest against what they called the defamations of the late Basque nationalist leader Jose Antonio Aguirre last week. Five inspectors who interrogated him were sent to the civil governor's office in Bilbao said Thursday's announcement of the work of only a few policemen, and the situation was normal.

Filipinos Cheer the Pope

Marcos Foes Demonstrate

CEBU, Philippines — More than a million people cheered Pope John Paul II here Thursday as he rode along a 7 1/2-mile route lined with tropical plants and coconut trees.

Sympomatic of the NILF's problems is its failure to achieve a positive working relationship with forces inside Dawa. Such an understanding was described as the "vital minimum" needed to get major opposition leaders outside Iraq to work together.

Earlier Thursday, the pope brated a "Mass For Peace" at the Quizon City, adjacent to the city of Manila, to a crowd of 12 million order to communicate peace and to give thanks to the pope. Oil can our proclamation and to give thanks to the pope. Oil can our proclamation and to give thanks to the pope.

China Wish

Meanwhile, Vatican Secretary of State Agostino Casaroli said Thursday that the pope "hopes and wishes" that he could visit China. On Wednesday the pope appealed for resumption of friendly relations with China.

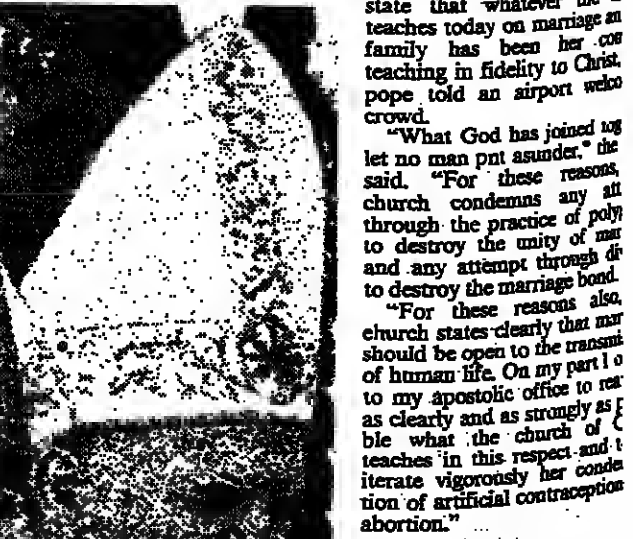
In Peking, Catholic Bishop Michael Fu reacted without enthusiasm to the pope's overture.

"We appreciate any person who shows feelings of friendship toward the Chinese people, its clergy and congregation," United Press International quoted him as saying. But the bishop and other Catholic officials said that political problems hindered a significant reconciliation.

[Asked if China would do the pope's wish to visit Cebu government spokesman said present we have no relation with the Vatican.]

"Mass for Peace"

Earlier Thursday, the pope brated a "Mass For Peace" at the Quizon City, adjacent to the city of Manila, to a crowd of 12 million order to communicate peace and to give thanks to the pope. Oil can our proclamation and to give thanks to the pope. Oil can our proclamation and to give thanks to the pope.



Pope John Paul II yawning during Mass.

Dublin Fire Toll at 45

DUBLIN — A 19-year-old dry worker, Carol Bennett, died Wednesday in a Dublin hospital raising the toll in the Valentine's Day fire at the Stardust dance club to 45. Seventy survivors remain hospitalized, three in critical condition, authorities said.

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Telephone Company credit card and collect calls may be placed in many countries. And where they are, the

hotel surcharges on such calls are usually low. Or, you can avoid surcharges altogether by calling from the post office or from other telephone centers.

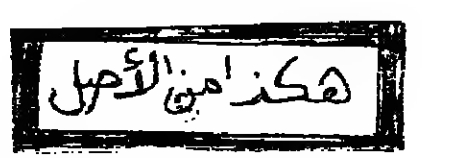
SAVE NIGHTS & WEEKENDS

Always check to see whether the country you're in has lower rates at night and on weekends. Usually the savings are considerable.

Have you digested that? O.K. Now pass the mustard!



Reach out and touch someone



California Classes Teach Citizens to Use Tear Gas

By Robert Lindsey

LOS ANGELES — In California these days, strangers can be found any night of the week clustered around instructors who tell them, "Aim for the eyes." Employers are offering enrollment in the classes as a fringe benefit. At dinner parties, people who used to spend all evening discussing the high cost of real estate here are comparing notes on their respective brands of tear gas.

Going to tear gas class is the latest trend. Changes in state laws have made it easier to obtain a license to carry tear gas for self-defense. Then, when a heavily publicized murder and assault case here last fall increased fears of crime, it touched off a boom in demand for tear gas and a proliferation of the schools that issue the permits to carry it.

Some state Justice Department officials estimate that this year as many as 1 million Californians, mostly women, will attend the two-hour classes necessary for them to obtain a state permit to carry tear gas. Last year, only 55,000 took the classes.

The rapidity with which people are arming themselves with tear gas worries a number of law enforcement officials. Some officials say that they expect the disabling spray to be used increasingly by criminals bent on robbery, rape or assault.

Exploitation Charged

Others say that the huge profits that can be made in tear gas sales are attracting unreliable suppliers who are exploiting the public's fear of crime with exaggerated claims about its effectiveness and, in some states, perhaps selling products that can cause serious injury, including blindness.

Off-duty policemen have been recruited to teach most of the classes in California, and many instructors have discovered that the work provides surprising financial rewards.

Brandt Peterson, president of On-Guard Personal Security Systems, one of the state's largest purveyors of tear gas, said, "A good instructor who works at it can make \$6,000 a week. The concern operates classes that ooze train about 2,000 people a week."

"What's happened is almost unbelievable, it just keeps getting bigger," said Mr. Peterson, 39, a former Marine Corps major and Vietnam veteran. Mr. Peterson said he had looked for a second career after being retired from the service and stumbled into what he called "a growth industry that you can't comprehend."

Residents of a number of other states, such as Oregon, Michigan and Florida, are also buying tear gas in large quantities for personal use. But according to specialists in the security business, by far the greatest interest in tear gas has been in California, and the state now has at least 100 schools offering courses in its use.

Private use of tear gas, illegal in New York and most Eastern states, has been legal in California since 1977. But until last year, residents had to endure cumbersome licensing procedures. In 1980, the rules were changed so that the operators of training schools that obtained state licenses for instruction were given authority to issue the permits directly.

Last fall, newspapers and broadcasters began bringing increasing attention to what some called a crime wave, and operators of the schools said they were soon swamped with applicants.

The state Justice Department, which issues the permits in schools, has repeatedly run out of the forms in recent weeks. Many school operators said that the number of their graduates would have been much larger if they had had more permit forms.

In Los Angeles, at least a half-dozen classes with 20 to 30 persons are held most evenings. Scores of companies have paid the tuition for the classes for their employees as a fringe benefit, and many companies have paid for the employees' initial supply of tear gas as well. It is now common for church and social clubs to plan meetings around a program of tear gas instruction.

The tuition fee typically ranges from \$10 for members of groups to \$22 or more for individuals. The cost of a canister of tear gas, which resembles a purse-size canister of spray cologne and usually contains about 20 one-second squirts of material, ranges from \$7 to \$13.

"This has all happened in the last three or four months," said Don Feil, a police lieutenant in suburban Torrance, who moonlights with other officers at a school they operate called Tear Gas Specialists.

"What's happened is that due to the publicity over crime, a large number of persons are concerned, with their safety, and it's had a snowballing effect," Lt. Feil said, adding that it gives people "a weapon with which they can fight back an attacker without taking on any financial or moral liability if they use it."

Tear gas is effective only if it comes in contact with an assailant's eyes, but if it does, "it's as good as a .44 Magnum in a combat situation," Mr. Peterson said. "It won't kill him, but it will incapacitate him" from about 40 minutes to two hours. "And after it wears off, the person who has been sprayed is as good as new," he added.

U.K. Miners Defy Work Order

LONDON — Militant regional leaders of Britain's miners defied a return-to-work order from their national union Thursday, declaring a strike of the Conservative government despite its abrupt turnaround over threatened pit closures.

Meanwhile, Prime Minister Margaret Thatcher, who gave in to the 230,000-member National Union of Mineworkers on Wednesday night as a nationwide strike loomed, was snarling under what opposition legislators dubbed a major humiliation and policy shift.

In the House of Commons, Mrs. Thatcher was greeted with howls of laughter in which some of her own own legislators joined when she defended the government's action as "swift and decisive."

"I congratulate you on what appears to be a great victory for the miners," jeered opposition Labour Party leader Michael Foot. "Every time you turn you will get a riotous bouquet from me. I may even ask you to dinner."

Angry business leaders, the Conservatives' traditional allies, accused Mrs. Thatcher of "scandalous surrender" to trade union power.

But coal mines in much of Scotland, all of South Wales and England's Kent and Durham counties remained idle as most of the 50,110 miners who began wildcat strikes Tuesday stayed out. Yorkshire union leader Arthur Scargill said he would recommend to his 66,000 members to strike Monday.

The regional leaders' defiance sparked a row in the powerful mineworkers' union, whose executive committee, under moderate president Joe Gurnley, voted 15 to 8 Thursday morning in favor of a return to work.

Mr. Gurnley warned that if leftist regional leaders, who were outvoted Thursday, refused to obey the executive committee, "we are heading for a breakup of the NUM."

But, echoing suspicions of other leftist union leaders, Mick McGahey, the Communist head of Scotland's 20,000 miners, said: "I want concrete assurances in writing. I want to see the color of their cash. I want the government to put their money where their mouth is."

Faced with the prospect of a repeat of the 1974 coal strike,

which helped topple the previous Conservative administration of Edward Heath, the government on Wednesday might rescind a plan by the state-run National Coal Board to close 23 of its 219 pits and cut 13,000 jobs.

Energy Secretary David Howell promised to raise the coal board's £834-million (about \$1.9-billion) cash limit this year to and cut the current 8 million tons of coal imports to about 1 million tons of specialized coal.

Officials predicted that the miners' victory would spur workers in other nationalized industries to demand financial concessions while Mrs. Thatcher is fighting to streamline government companies.

Meanwhile, a Gallup opinion poll showed Mrs. Thatcher's government with a narrow lead over Labor for the first time since it came to power. The poll, published Thursday, was taken before the mining crisis.

The poll, conducted for the conservative Daily Telegraph, also indicated that a proposed new Social Democratic party allied with the small Liberal Party would soundly defeat both the Conservatives and Labor.

D NEWS

Group to Protest

Germany — The Green Party is planning a demonstration in West Germany. The group is active for Environmental protection. It is planning a demonstration for nuclear power plants. The group is active for Environmental protection. It is planning a demonstration for nuclear power plants.

of Growing

Gen. Bernard Rogers has been appointed to the post of Chief of the Defence Staff. He will be replaced by Gen. Sir John Sillito. The appointment is part of a reshuffle of the High Command.

ice Eviction

The South African government has evicted hundreds of thousands of people from their homes. The evictions are part of a program to create a new urban structure. The evictions are part of a program to create a new urban structure.

es Reports of

Foreign Ministry Thursday reported that the Soviet Union has agreed to a new arms control treaty. The treaty is part of a series of agreements between the superpowers. The treaty is part of a series of agreements between the superpowers.

Debates

Calvo Sotelo, the Spanish Socialist leader, has been elected to the post of Prime Minister. He will lead a coalition government. He will lead a coalition government.

os Cheer

the Pope's visit to the United States has been greeted with enthusiasm. The Pope will visit New York and Washington. The Pope will visit New York and Washington.

Foes

Democracy has been attacked by a group of extremists. The group is active for Democracy. The group is active for Democracy.

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British miners gathered outside the headquarters of the National Union of Mineworkers in London on Thursday, holding a protest against the government's decision to close 23 mines.

in Britain's Midlands, Industrialists' Ardor for Thatcher Cools

Continued from Page 1

Confidently held beliefs that the British economy would be revitalized. Only a year ago, it was an article of faith among industrialists that an unopposed, militant union movement was largely to blame for the country's poor economic performance.

Factory Visits

Raymond Penneck, president of the Confederation of British Industry, recalled how during the last 25 years he had constantly visited factories across the country. He said that he had seen many managers who had reduced their labor forces if they could overcome trade union opposition.

German Jailed in East

An East German Thursday sentenced a West German, Oswald Neeland, to six months in prison for "abusing the trust agreement" on travel to Berlin. The official news agency reported. The charge is of "attempts to smuggle per-

foreman: "Now, truthfully, on average, how many hours a day do your fitters really work? And the answer, again, almost always was five, give or take half-an-hour."

Nowadays, though, there are few complaints about union militancy in the Midlands. Most wage settlements are far below the 13 percent inflation rate. Strikes have declined dramatically. And many firms have trimmed their working force so sharply that they are requesting government aid to keep skilled laborers on their job rolls for fear that their companies may be understaffed in case of an economic upturn.

"I think it would be very difficult for management to argue at this stage that companies are in trouble because their labor force is uncooperative," said Mr. Benson, the Birmingham representative of the Amalgamated Union of Engineering Workers. "The problems lie elsewhere."

Most explanations for the sharp drop in Midlands manufacturing have focused on the automobile industry and its many suppliers that have traditionally set the pace of economic activity in the region. For more than a decade, the British motor vehicle industry has fallen behind foreign producers in productivity. The recent strengthening of the pound has brought in a flood of cheaper car imports, and British production dropped, last

year to only 924,000 automobiles, the lowest total since 1958. Even manufacturing companies that have weathered the crisis much better than the automobile industry are showing severe strains. The Delta Metal Company, for example, a group that encompasses scores of subsidiaries manufacturing non-ferrous metals, switchgears, circuit-breakers, plumbing attachments and hundreds of other engineering components, has maintained a profitable balance sheet over the last few

years. But much of the profits have come from Delta's subsidiaries abroad, in South Africa, Asia and Australia.

"On the whole, the products we are making can be produced much more cheaply in other parts of the world, particularly developing countries," said W.J. Turley, Delta's director of marketing. "So we have decided to manufacture increasingly overseas, in low-cost areas such as Malaysia and Singapore where quite a bit of our competition already exists. We are concentrating on reducing costs in Britain wherever we possibly can, and of course that includes redundancies."

Because of redundancies — as the English call job dismissals — Delta's labor force in Britain fell by 4,000 workers last year, and now stands at 18,000. The total will probably drop even more during the next few months because 4,000 employees, mainly in the Birmingham area, are working on short-time with temporary financial aid from the government.

"We certainly won't be making any new investments in our traditional areas of activity in Britain," said Tom Kinsey, Delta's joint managing director. "And much of the unemployed labor will not be brought back even when this recession is finally over."

Saturday: If Margaret Thatcher's vision of a modern, competitive British economy does emerge, it may well be in a few years of the country that have weathered the crisis until now.

Drug Use by U.S. Youth Leveling Off, Study Finds

By Robert Reinhold

WASHINGTON — Use of illicit drugs by young people in the United States shows clear signs of leveling off, according to the results of a survey of high school seniors.

Indicative of the trend, for the first time since the survey began in 1975 the number of seniors who say they have tried marijuana has declined. Although use of drugs remains high, the survey leader, Dr. Lloyd Johnston of the University of Michigan, said Wednesday he discovered a "gradually increasing conservatism" among teenagers and said, "The dramatic rise over the last two decades in the propor-

tion of young people involved with illicit drugs appears at or very near an end."

A similar trend toward a leveling off of drug use has been reported by the military. Inhalants, Cocaine The study, a yearly sampling of about 17,000 seniors throughout the country that is sponsored by the National Institute on Drug Abuse, found significant changes in patterns of use from 1979 to 1980. Daily use of marijuana, the most widely used substance, was down by 12 percent, though nearly one in 10 seniors still said they smoked it daily. Use of inhalants and hallucinogens such as PCP decreased, and a

previously reported decline in the use of barbiturates and tranquilizers continued. Cocaine use, which had nearly doubled from 1976 to 1979, showed signs of stabilizing, while use of heroin and other opiates and LSD remained stable.

The Michigan scientists attributed the shifts to news reports on scientific evidence about marijuana effects, growing concern about health risks among the young, mounting peer disapproval of drug use and the changing mood of the times. "We are no longer in a period when external events, like the Vietnam War, prevent young people from hearing the warnings," said Dr. Johnston, who is with Michigan's Institute for Social Research.

The researchers discerned some shifts in the reasons for drug use that seem to accord with a current, more purposeful mood of young people. For example, those using stimulants were more likely now than before to say they used them to lose weight or to get through the day, rather than just to "get high."

Still, the study found drug use very widespread and the researchers saw little hope of ever returning to what Dr. Johnston called the "relatively drug free" 1950s. Though the figures in 1980 appeared to be leveling, 65 percent of the seniors reported having used some illicit drug during their lives, an 18 percent increase since the first survey in 1975.

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Reagan's Economic Message

After weeks of careful political groundwork, President Reagan has delivered a comprehensive economic message to the nation that will occupy the Congress in one way or another for the next four years. The president's program is meant to break stagflation, a phenomenon born in the first oil shock of 1973-74. His approach of trying to stimulate business with large tax cuts while simultaneously attacking inflation with sharp slashes in government spending has never been tried. No one knows whether it will work. To succeed, though, it must crack the psychology of inflationary expectation. Individuals must believe that it is in their economic interests to save and businessmen must be convinced that it will pay to invest. There is no historical record to demonstrate that major tax cuts will produce either result. The president is banking on the notion that the American people are ready to take a leap of faith because everything else has failed.

But it is not the nature of Congress to act on faith. Besides, that is not what congressmen are paid to do. There is a Republican Senate, of course, and a considerable amount of good will toward the new president. But there are also proposed budget reductions that cut across the political interests of just about every member of the senate and house. The total \$49-billion worth of cuts sought in both on- and off-budget items will be subject to more logrolling than Congress has seen in years.

Whatever the final numbers on taxes and budget cuts, the effect on the \$3-trillion U.S. economy is incalculable. The Reagan administration's forecasts are meaningless because they are based on untested assumptions. Both the inflation rates in years to come and the rates of economic growth will depend on whether people behave as men like Rep. Jack Kemp. R-N.Y., predict they will, or not; and

whether the cost-push effect of wages and prices will be negligible, or not; on whether Congress will pass the budget cuts and tax cuts roughly simultaneously, or not. There are many other imponderables that will affect the final result, which will have a major impact abroad as well as at home.

There are some areas, though, in which the world might not have to wait so long to see the results of the Reagan program, depending on how soon Congress disposes of separate parts of the package. These include defense, trade and the whole spectrum of foreign aid. Increased defense spending is perhaps one of the least vulnerable areas of the Reagan program. Congress is for it, most Americans are for it and the U.S. allies are for it, as long as it does not turn out to be accompanied by demands for matching increases by NATO countries and Japan. As far as trade is concerned, the plan to trim Export-Import Bank financing by a third is expected to have only a marginal effect on the ability of major U.S. corporations to export.

The first impact abroad, though, is likely to be felt in the poorest countries if Congress goes along with Mr. Reagan's proposed cuts in the foreign aid budget. David Stockman, director of the Office of Management and Budget, seems to have won his internal struggle with Secretary of State Alexander M. Haig Jr. for deep cuts in all forms of aid except security assistance. Foreign aid is said to have no constituency, and it might be politically difficult to cut domestic programs without cutting foreign aid, but congressmen would do well to consider the costs and benefits before taking a mighty whack at that small item totaling less than \$8 billion in a budget of \$695.5 billion.

INTERNATIONAL HERALD TRIBUNE.

The President's Gamble

President Reagan has now embarked upon an extremely daring venture. He is setting out to bend and turn the fiscal trends that the last three presidents have bitterly denounced but finally judged uncontrollable. Mr. Reagan presents his tax and budget cuts as a program of reform for the full four years of his term, and he is inviting the United States to judge him by it. There's a spirit of audacity to it.

End those federally funded public service jobs — all of them? Reduce those subsidies for the dairy cows in Wisconsin, and for the foreign sales of Boeing jetliners? Make the yachtsmen pay their share for the Coast Guard? Recent political history is full of the sad stories of failed politicians who could give Mr. Reagan a hundred reasons why it won't work. But perhaps it will work.

The test is not going to be the response of the economic indicators alone. It will be the change in Americans' attitudes in general toward this experiment, now and over the next four years. It will be the change in their sense that the economy is out of control, and that the government has become not a servant but an adversary. It is possible to believe, as we do, that Mr. Reagan has made some bad choices along with the good ones in this program — and yet to acknowledge a strong national interest in its success.

As Mr. Reagan pleasantly observed in his address to Congress Wednesday night, the people who oppose this cut or that one now have a responsibility to come up with something better. If you don't like, for example, the reduction in aid to college students, what would you prefer to abolish? Or are you prepared to argue that the present deficit and the present inflation are preferable to any alternative? If all goes well, after two or three years of intense controversy, the United States will have worked out a surer and more defensible definition of federal responsibilities — which in turn will provide a solid political base for the taxes to pay for them.

Regarding Mr. Reagan's tax plan, the administration would be well advised to warn average middle-class taxpayers that they will be paying more, not less, to the federal government in 1981 than last year. Inflation will

ensure that the typical taxpayer will pay not only more dollars but a higher proportion of income, even if the Reagan bill is enacted as proposed. The administration also intends to make the tax system somewhat less progressive, with the biggest cuts in the upper income ranges.

But the great and central risk is, of course, that the inflation rate might not decline as predicted and that Americans do not see the economy gaining stability. Mr. Reagan has attributed the inflation wholly to federal deficit spending, but under his plan the deficit will not come down significantly until 1983. Not even the administration sees any very early or rapid drop in the inflation rate, and the administration's strategy makes no allowance for the kind of worldwide upheaval — oil crises, food shortages, currency devaluations — that undid his predecessors' planning.

The purpose of this assault on the budget and the deficit goes well beyond economic policy, and Mr. Reagan understands it perfectly. What most of the voters seem to want, above all else, is a demonstration that government can actually be managed by the people elected to do it. Each of the last three presidents told them that the federal deficit is highly inflationary, and that inflation is a menace. Each of those presidents left office with either the deficit, or the inflation, or both, worse than he found it. As people watched these failures, further questions legitimately formed in their minds. If one administration after another proved unable to deal with its own household finances, its incessantly proclaimed top priority, was its competence to be trusted in the less visible and comprehensible matters of defense, strategic arms, diplomacy or finance?

Mr. Reagan has caught that point precisely. "We are in control here," he said last night. "There is nothing wrong with America that we can't fix." But it will take more than a speech to persuade people. The long inflation has eroded more than the value of the currency. There is far more than economic performance at stake in President Reagan's struggle to control, at last, the budget.

THE WASHINGTON POST.

Who Has a Better Plan?

The ship of state is out of control, says the new captain, unfolding his voluminous new charts. Can he use them to keep the ship off the rocks? Maybe so — and he deserves the chance.

There is much to be troubled about in the heavy budget cuts the president proposed Wednesday night. On first impression, many poor Americans will be left with a sinking feeling; along with fat and waste Mr. Reagan seems all too eager to scrap some of their lifeboats. But there will be time in the days and weeks ahead to argue specifics. In the round, the Reagan plan offers at least a chance to control the enduring stagflation that cripples the U.S. economy.

The program is not, finally, the dangerously inflationary supply-side scheme that some of the president's advisers pressed upon him. Instead, Mr. Reagan has done what he was elected to do: present an economic plan that tries to break inflation, slow the growth of spending and cut tax rates. It may not be a sure way to end stagflation, but as he said in a challenge to the opposition, who has a surer way?

The economic strategy that underlies the Reagan budget plan is sound. The Kemp-Roth plan to cut income tax rates by 10 percent in each of the next three years is to begin on July 1 — a six-month delay that may help to prod Congress into approving the spending cuts Mr. Reagan desires. If Congress refuses, a presidential veto is possible.

The fiscal program has two main objectives. The tax cuts, both for individuals and for business investment, are intended to stimulate growth. The spending cuts, which will amount to some \$100 billion by 1984, are intended to cut inflation. The administration is more optimistic than most outside economists, hoping to cut today's double-digit inflation to 7.2 percent by the end of 1982. To achieve that will take more than massive budget cuts. Mr. Reagan plainly hopes they will produce a break in inflationary psychology.

If he can whack billions from the budget and rein in major social programs, the president's advisers think he could generate a dramatic break with the past. A public that fears yet worse inflation might thus be prompted to abandon its inflationary expectations and once again save and invest.

This is a murky notion. There is no textbook or history book to support it. But it has, in recent years, captured the fancy of more and more economists and politicians. The president wants to give it a test. Whether this means that the 1982 budget cuts should be precisely the \$41.4 billion called for, or billions more or less, is unknown. The true needs of the truly poor may count for more than the Reagan plan permits. But the psychological strategy is worthy. No one else has a better idea on this point, either.

THE NEW YORK TIMES.



Sipping Supply Cider

By William Safire

WASHINGTON — The so what's-new set will have an easy time disparaging President Reagan's economic recovery plan.

Tax cut? What tax cut? First, the bulk of the promised rate reduction was put off until mid-year. Indecision to stop "tax-bracket creep," so vigorously promised in the campaign, has been put off. The "unearned income" tax rate on savings and dividends still goes up to 70 percent, penalizing thrift and chasing money into tax shelters.

Considering all the previously scheduled increases in taxes in the coming year, most taxpayers will be paying more taxes, not less, notwithstanding the Reagan reductions. Some tax cut.

Spending Cut?

Spending cut? What spending cut? Despite the portrayal of the director of the Office of Management and Budget as a happy Grim Reaper, complete with slashes of \$40 billion, no totals are being reduced. Only rates of increase are being cut; the breakneck momentum of spending programs will continue to grow.

And the "cuts" themselves are only recommendations. A Democratic House, led by a liberal member of the only state that went for George McGovern, is likely to shrug off many of the Reagan proposals.

The other elements of the Reagan package (the president rejected the phrase "economic renewal" and chose the less abstract, more Rooseveltian "recovery") can be ho-hummed in the same way. It's all very well to say that the Federal Reserve has agreed to hold down the money supply, but it has repeatedly shown it doesn't know how. It's fine to eliminate the middle-high stack of forms to be filled out, but regulatory reform by itself will lower no prices this year.

Kind of Revolution

What, then, is new? The direction is clear. The sacred politician who declared in 1964, "By God, he's going to run as Goldwater" is now spitting "By God, he's going to govern as Reagan."

For the first time in two generations, a concerted attempt is being undertaken to make life more rewarding for the hard-working and less rewarding for the laid-back. If enough of the plan survives the Congress, then the portion of earnings that stays with the worker and the saver will at last begin to increase, and the portion of the gross national product that is dominated by the government will significantly decrease.

That would be a kind of revolution. It has a chance of working because people are fed up with stagflation and are willing to try some other way out of it, and because the way out is being sold by a leader whose aw-shucks style does not seem revolutionary or threatening.

"Timid"

Mr. Reagan's relaxed revolution has had its decorous donnybrook. Traditional conservatives wanted to reduce the rate of spending increase and thereby hold down the budget deficit during inflation. But supply-side economists (so named in denigration by Herbert Stein), who care little about spending cuts, wanted to reduce all tax rates and

thereby give people new incentives to work, invest and reinvigorate the economy.

To look at the president's speech, you might think the traditionalists had won. Sacrifice is playing in Reagan — even specific sacrifice — since it exempts the truly helpless and because its "cuts" are almost all in prospective increases. Thanks to this resurgent in spending, the traditionalists can now say that their budget is non-inflationary.

And to hear the grumpy supply-siders, you might think their cause of genuine tax cutting has been abandoned. Rep. Jack Kemp, R-N.Y., has branded the proposals "timid." This year, Mr. Reagan neither reduces the top rate for salary income nor eliminates the artificial differential between salary and savings income. The great supply-side reductions are put off to the future.

Rich Without Guilt

But the supply-side apostles of reward do not realize that they have begun to win. Tax-cutting during inflation has just been made "responsible." That is every bit as astounding as the unexpected popularity of budget-cutting, a

topic that was kept under wraps during the campaign because it was believed to be politically unpalatable.

In time, holding down future budgets will lose its drama; it will have been done. But newly respectable tax-cutting during inflation will gain in appeal, especially if the experiment begins to show some productivity results. Then we can all get richer without feeling guilty, which is the dream of the economic alchemist.

The irony is in the fire: President Reagan has wrapped the bitter pill of tax cuts in the sugar coating of spending restraints. If two-thirds of that jelly bean is swallowed by the Congress, much midsummer euphoria will ensue, to be followed in the fall by loud teeth-grinding when results are not apparent.

And then, in early 1982, we can expect the counterrevolution. The push to spend again to alleviate suffering will come from campaigning congressmen, and an old pol of the past — Tip O'Neill — will charge out to sweep back the wave of the future. That is when Mr. Reagan's determination to recover America's initiative will be tested.

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The Price of Being Civilized

By Anthony Lewis

BOSTON — President Reagan's economic speech to Congress marks the turn of a long historic tide in American federalism. However successful he turns out to be in getting the details of his program enacted, we know we are at the end of the age in which Americans looked to Washington to meet their every public need.

It lasted nearly 50 years, from the inauguration of Franklin D. Roosevelt. In that period, just about my lifetime, the federal government changed from a marginal influence on the average person's life to the center of his expectations.

Today we expect Washington to save bankrupt cities and automobile companies, to lead the fight against street crime, to put middle-class children through college, to support the income of farmers, to build highways and transit systems. Fifty years ago none of those things, or a hundred other worthy objects, was regarded as the responsibility of the federal government.

Conservative politicians have denounced the growth of federal programs for years, but the programs have kept right on growing — under not only Democratic administrations but those of Dwight D. Eisenhower, Richard M. Nixon, Gerald R. Ford. Now there is a sense of real change in political and public attitude, for two evident reasons.

One is the reality of economic limits. As long as the U.S. economy was growing, and producing more tax revenue, it was relatively painless for Washington to take on more responsibilities. Now the United States, in common with virtually all other industrialized countries, is in a time of stagnant productivity, high inflation and unemployment. The pie is not getting larger, and no one can see when it will.

The second reason is the sensed limit of human organization: in a

word, bureaucracy. There is some unfairness in the distrust of federal bureaucrats; many of them are dedicated people and their numbers have grown less than those of state and local government. But there are true horror stories. The magazine that does the best job of watching the federal bureaucracy, the Washington Monthly, gives examples in every issue of numbing insensitivity and lethargy.

Liberals should not shy from recognizing that there are limits to what Washington can do. It was after all that great early liberal, Louis D. Brandeis, who warned that a continental country could not be run from the center — who preached the virtue of smallness, of letting the states and cities experiment with their own social and economic ideas.

Acute Need

Local and private initiative is going to be essential now as the tide of federal aid ebbs. The need will be especially acute in the cities of the United States — and especially difficult to meet. For the economic strains on the cities are already so great that they threaten some of the vital elements of urban civilization.

Boston is an acute example. In business terms, it is a city on the

way up. Federal funds and imaginative local planning started a downtown revival that has been pushed along by private money. The Faneuil Hall Market brings crowds to the heart of the city. Downtown real estate and construction are booming.

But the public sinews of life in Boston are atrophying. The schools are in terrible shape, and the school budget faces a massive cutback that will lower the quality of education still further. Racial tensions continue. Crime is serious, the police and court and prison facilities inadequate. The transit system shut down briefly last year because of a budget crisis, and it is headed for more trouble.

On top of the existing pressures on public finance, Massachusetts voters last year approved a tax-cutting proposal — Proposition 2½ — that will mean fiscal disaster for Boston. In the year starting July 1, it must cut about \$100 million from an operating budget of \$248 million, or find some other revenue source. How can it be done? No one knows.

Boston's situation is hardly unique. In New York the suburbs are menacing, schools and hospitals strapped; the New York Public Library, an ornament of U.S. culture, struggles to maintain its

U.S.-Soviet Contest Breaking the Rules

By William Pfaff

PARIS — There once were rules for the Soviet-U.S. contest, and they have been broken. Why, and by whom, makes an interesting argument. But the urgent matter is to discover whether rules can be re-established. That effort, or its failure, can decide great and somber issues during the next four years, and perhaps for much longer than that.

The United States and the Soviet Union now both acknowledge that they formally agreed in 1972 to a code of conduct. In statements issued during the second week in February, each accused the other of breaking the code. The Department of State named Soviet sponsorship for the Cubans in Angola, the Ethiopian war, Afghanistan, and stages "provocative military exercises." The Soviet Union said that the United States has annexed the Gambia and other areas to its "sphere of influence," and stages "provocative military exercises."

The story goes back before that, however. Soviet sources have privately argued that Henry Kissinger started the trouble by attempting to cut the Soviet Union out of the Middle East in the Arab-Israeli settlement he tried to negotiate in the shuttle diplomacy that followed the Yom Kippur War of 1973. The Soviet Union wanted a general coalition in Geneva at which they, the Arab powers, Israel, and the United States would together decide how to end the crisis.

Audacious Policy
Mr. Kissinger chose a more audacious policy, which produced an affront to Soviet pride. He wanted to make the United States not merely guarantor of Israel, as in the past, but of the Arab as well, and thus the single sponsor of Middle Eastern peace.

He failed; it was left to Anwar Sadat to relaunch the peacemaking in 1977, and to Jimmy Carter to achieve the Camp David agreements. But Camp David produced, in one respect, the same result Mr. Kissinger had wanted. The United States, acting alone, inspired the settlement, paid for it, and provided the guarantees to both Israel and Egypt which enabled it to work. The Soviet Union was cut out.

There were three Middle Eastern possibilities open to Washington in the early 1970s. The first, and most seductive, was the one attempted: to exclude the Soviet Union, and win Arabs as well as Israel to the U.S. side. The effort to do this entailed, in the Soviet view, a breach of the 1972 code of conduct. U.S. diplomats challenge this interpretation.

The second possibility was to ratify the Soviet role in the Middle East by making Moscow co-guarantor of any settlement. This would have respected the conventional wisdom of the period, the conventional notion of détente. But it would have been a mistake.

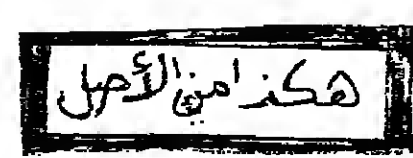
What the Middle East needed, then, as now, was less superpower involvement in its struggles, not more. The U.S. and Soviet commitments to rival sides in the area inflamed conflict and has introduced factors irrelevant to the basic issues dividing Arabs from Israel. It has made the whole affair ultimately more dangerous.

It follows that the better course for the United States would have been to try to reduce the involvement in the area of both Americans and Russians by pressing responsibility for negotiations and guarantees back upon the Israelis.

In the Open
But with the argument in the open, it is possible to see that the ruins might be new. It is important that this be attempted. In the United States however, the quarrel today is between those who favor another version of a code of power conduct, but between who say such a code is possible and those who argue that the sign of Afghanistan has demonstrated that agreements with Soviet Union are worthless. Who would like to believe that it is understood in Moscow, essential that the Soviet government grasp that, after Afghanistan reconstruction of a code of conduct will probably begin and there has been a sign for East.

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President Reagan's Hope for Early Tax Cut Action Encounters Congressional Doubt

By William Pfaff

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By Jim Luther
The Associated Press

WASHINGTON — President Reagan's plan to cut taxes for Americans a tax cut by July 1 met with congressional doubt Thursday, and some supporters predicted lawmakers may not act on the proposal for the rest of the year.

Members of Congress — especially Democrats — said they were not against a tax cut, but they considered the Reagan proposal a risk for the economy and a big windfall for the wealthy.

Reagan's tax bill, which he outlined Wednesday night as part of a plan to revitalize the economy, is targeted for middle- and upper-income Americans in the hope that they will invest the savings in ways that will create jobs and slow inflation.

Sen. Alan Cranston, D-Calif., was skeptical. There is no assurance, he said, that a tax cut would make such productive investments, he said. "They may just buy more cars and Cadillacs," Sen. Cranston suggested.

Rep. Henry Reuss, D-Wis., pursued that theme with Treasury Secretary Donald T. Regan at a Joint Economic Committee hearing. "Are you prepared to advocate an excise tax on such luxury items as fur coats and expensive motor cars?" Mr. Reuss asked.

There is some concern in both parties that passing a three-year tax cut now, as Mr. Regan recommended, could shatter efforts to control inflation.

Senate Republican Leader Howard Baker told a news conference that because lawmakers have their own ideas of when and how taxes should be reduced, "it's possible [for] a tax bill may extend into next year."

Rep. Dan Rostenkowski, D-Ill., chairman of the House Ways and Means Committee, predicted his committee would complete action on the tax cut no earlier than the end of May. That would make it all but impossible for Congress to send the completed bill to Mr. Regan by his signature by the administration's June 1 target date.

"We have to give the public and members of Congress a full hearing" before approving such a major bill, said House Speaker Thomas P. O'Neill.

Sen. Baker said Mr. Regan's call for deep spending cuts will have an easier time winning congressional approval than will the tax reductions. He outlined a schedule that would have the Republican-controlled Senate complete action within a month on the first phase of the spending reductions.

No one in the Democratic-controlled House would make a similar prediction. Speaker O'Neill, alleging inequities in the spending cuts that would penalize the poor, said "there'd be a revolution in the House" if an effort were made to rush those proposals.

Unless the two houses pass the Reagan program, Sen. Baker said, "people will rise up in a rage of indignation" in next year's elections and decide whether to fault the House or the Senate.

Package Needed

The House will work first on the tax cuts while the Senate tackles spending reductions. But there is agreement among leaders that at some point the two issues will have to be combined into a package so that Congress will not approve the politically popular tax reductions and forget about spending cuts.

However, the program is packaged, it is unlikely to win the endorsement of those who stand to lose government benefits. The Congressional Black Caucus, for example, immediately rejected Mr. Regan's assurances that the budget cuts would not hurt those in need.

In fact, the caucus leaders told a news conference, the Reagan program strikes at the "lifelines of millions of the poorest families, and children who will become hungrier, colder and sicker than they already are."

Coal miners who receive special aid because they suffer from black-lung disease picketed the White House on Thursday.

In Bal Harbour, Fla., the AFL-CIO executive council issued a four-page statement saying that the Reagan program would "require more sacrifice from those who have little more to give to those who already have much."

By Peter Behr
Washington Post Service

WASHINGTON — About \$10 billion, or more than a third, of the \$41.4 billion in spending reductions that President Reagan called for in the 1982 fiscal year would come from programs that primarily aid the poor. But they would be taken, the administration maintained, in ways that would not hurt the truly needy.

Medicaid, food stamps, housing aid to the poor and unemployment compensation all would be affected. Tenants in subsidized housing, the fastest growing of all federal welfare programs, would be required to pay 30 percent of income in rent, up from 25 percent now, and the planned number of new units would be reduced to 225,000 for 1982 from 260,000.

Grants to state and local governments would also be much reduced, and the U. S. Conference of Mayors quickly said through its president, Richard G. Hatcher of Gary, Ind., that Mr. Regan's proposals "are not fair" to the cities.

About \$6.7 billion in further cuts would come in spending and loan programs that subsidize specific sectors of the economy.

The \$41.4 billion is a first installment in a program that Mr. Regan hopes will limit future growth in federal spending to 6 percent a year, starting with the 1982 fiscal year that begins Oct. 1.

Wednesday, in his economic plan in a nationally televised speech to a joint session of Congress, Mr. Regan proposed \$3 major budget changes that would reduce spending an estimated \$24.8 billion in fiscal 1982. A second list of smaller spending changes will be proposed before March 10 to reach the \$41.4 billion target.

Distinction on Poor

In his budget plan, Mr. Regan drew a sharp distinction between the "deserving needy" and those just above the federal poverty line. Eligibility rules in more than a dozen of the largest assistance programs would be tightened to eliminate millions of recipients whom the government can no longer afford to support, in the Reagan administration's view.

About 400,000 households would be removed from the food stamp program, and Medicaid spending would be reduced \$100 million this year and allowed to increase only at the inflation rate after fiscal 1982.

The nation's basic income maintenance and entitlement programs, totaling about \$350 billion, would be cut only about \$9 billion, Mr. Regan said.

But in different parts of the budget he also proposed cutting out \$3.6 billion in public service jobs, most of which go to people of small means, and about \$2.6 billion in 1982 (and more later) in education, health and social services grants to the states, largely for programs helping the educationally, physically or financially disadvantaged.

If these cuts are added to those he listed under income maintenance programs, then the program cuts affecting primarily poor or near-poor people would come to \$16 billion.

The administration proposed a surprise change in unemployment assistance, to deny benefits to jobless workers who decline to take new jobs at pay substantially below what they had earned.

Mr. Regan's budget would also shift responsibility for a range of federal programs from the federal government to states and localities.

More than 45 elementary and secondary education grant programs totaling \$6 billion in projected budget authority would be consolidated into two block grant programs with a \$1.5-billion cut in budget authority; similar consolidation of 40 social services, health and welfare programs would cut 1982 outlays from \$9.3 billion to \$6.8 billion.

Other notable cuts include:

- Limiting cost-of-living pension raises for federal employees to once a year instead of twice.
- Elimination by more than half in the school impact-aid program, a traditional target of budget-cutters.
- Reducing food stamps by \$1.8 billion, about one-sixth; and the school lunch and related child feeding programs would be cut from \$3.9 billion to \$2.3 billion, by tougher eligibility rules.
- Asking Congress to cancel the next increase in subsidies for the dairy industry, scheduled April 1, a savings of nearly \$1.1 billion.
- Sharply reducing the fiscal 1982 Carter budget proposal for foreign development aid, as well as support for the Peace Corps, food aid shipments, the World Bank, the United Nations and other international organizations by \$402 million.
- Cutting 11 percent from federal water project construction funds.

A Third of Trims Would Come From Programs to Aid the Poor

By Peter Behr
Washington Post Service

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Main Budget Features Of Reagan's Proposal

New York Times Service

WASHINGTON — Following are highlights of President Reagan's budget, announced on Wednesday.

GENERAL — Spending for fiscal 1982, which begins Oct. 1, would be \$695.5 billion, or \$41.4 billion below the amount called for in the Carter budget. This cut is a main feature of Mr. Reagan's economic recovery program, but with receipts for fiscal 1982 estimated at \$650.5 billion, there would still be a deficit of \$45 billion. Mr. Reagan proposed to cut this deficit in half in fiscal 1983 and achieve a balanced budget in 1984, one year behind the schedule he advocated in the campaign.

TAXES — Mr. Reagan outlined a plan that would, if approved, be the biggest tax-relief package ever enacted. He called for individual and business tax reductions totaling \$53.9 billion. The plan is intended to spur the economy by allowing businesses increased deductions for the cost of buildings, vehicles and equipment. It also calls for individual tax cuts that average about 9 percent a year for three years on wage and salary income.

MILITARY — Mr. Reagan has proposed a \$7.2-billion increase in military spending, an unusually large shift for a peacetime economy. This program will bring the military's share of the budget from its present 34.1 percent to 32.4 percent in 1984.

THE POOR — Mr. Reagan promised to preserve the "safety net programs" such as Social Security, Medicare and veterans' benefits. But much of the trimming was accomplished through tightened eligibility requirements or sharp funding cuts in such programs as public-service jobs, food stamps, student loans, welfare and free school lunches. Even so, "safety net" spending is expected to increase to 41 percent of the budget by 1984, compared to 37 percent now.

THE CITIES — The budget cuts would hit hard at urban areas through abolition of about 100 assorted social programs and through cutbacks in capital spending programs for airports, highways and mass transit.

THE ECONOMY — All of these proposals are based on optimistic economic predictions that call for a halving of inflation and the creation of 13 million new jobs by 1986 and an overall growth rate of 4 to 5 percent a year. This reflects Mr. Reagan's "supply-side" economic theory that coordinated cuts in taxes and government spending will bring prosperity.

Federal Tax Burden May Rise Despite Proposed Reagan Cuts

By Caroline Atkinson
Washington Post Service

WASHINGTON — Under President Reagan's new tax proposals, the federal tax burden would still grow this year, to 21.1 percent of gross national product, then steady to 19.3 percent by 1984, according to a study by the Congressional Budget Office (CBO) released Wednesday.

The study, which is the first since President Reagan's economic plan was presented to a joint session of Congress and broadcast over nationwide television.

The CBO study says that the Reagan plan will propose additional tax cuts "at an early date," but that the so-called marriage deduction, whereby two wage-earners pay less if married than they would if single, will be phased out over the next three years.

The study also says that the president's economic plan presented to a joint session of Congress and broadcast over nationwide television.

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10 Sentenced In FALN Plot

The Associated Press

CHICAGO — Ten suspected members of the Puerto Rican terrorist group FALN have been sentenced to prison terms ranging from 55 to 90 years on charges of sedition, conspiracy, armed robbery, weapons violation and interstate transportation of a stolen vehicle.

FALN is an organization that seeks Puerto Rican independence.

The defendants, sentenced Wednesday in federal court, will be eligible for parole after serving a third of their sentences. They were convicted Feb. 11. Prosecutors said the 10, who were arrested April 4 in the suburb of Evanston, had conspired to bomb 28 buildings in Chicago between 1975 and 1979.

It was the first time a seditious conspiracy charge had been used since the 1950s, when a group of Puerto Rican separatists were convicted of trying to assassinate President Harry S. Truman and of a shooting spree in the U.S. House of Representatives.

Mine Blast Kills 15 In South Philippines

United Press International

ZAMBOANGA, Philippines — A land mine exploded Wednesday at an American-owned rubber plantation in the southern Philippines, killing 15 security guards and seriously wounding four.

Military authorities said the blast took place on a B.F. Goodrich Co. plantation in Tumahuong Town, about 600 miles south of Manila. Muslim rebels were suspected of having planted the mine. There was no indication that the explosion was linked to the current visit to the Philippines of Pope John Paul II.

Honduras Tells OAS of Nicaragua Attack

The Associated Press

TEGUCIGALPA, Honduras — Honduras complained to the Organization of American States Thursday that Nicaragua troops launched a 15-hour attack on a Honduran military outpost along their common border. The Foreign Ministry said that the attack with rifles, grenades and mortars was at Palo Verde and San Benito in southern Honduras on Tuesday. The ministry did not say if there were casualties.

President's Plan

Under the president's plan, the federal tax cut would show up in paychecks by July 1, 1981, when schools or other government agencies would be reduced 10 percent. The rate cut of 5 percent for the John Kennedy year.

The tax plan would cost an estimated \$8.9 billion in fiscal 1981, \$23.9 billion by 1982 and \$27.7 billion by 1986. Individuals would get \$162.4 billion of the cut, with business's share at \$59.3 billion.

When fully effective, the Reagan plan would reduce business taxes by 10 percent from what they otherwise would be, while individual taxes would be lowered by some 15 percent.

Individual taxes would otherwise have gone up because of inflation and higher Social Security taxes. These are the factors that this plan will lift the tax burden even if new taxes are enacted.

Dollar Amounts

Individuals at all income levels would have broadly equal cuts in tax liabilities in percentage terms, but with much larger dollar amounts for the well-to-do. Mr. Regan commented to reporters Wednesday morning that it was not a matter of dollars and cents.

Norman Ture — the Economist Behind Reagan Tax Cut Program

By Edward Cowan
New York Times Service

WASHINGTON — When President Reagan outlined his tax program to a joint session of Congress, the proposals reflected the perspective of Norman B. Ture, the Treasury's prospective undersecretary for tax and economic policy.

Mr. Ture, at the age of 57, is the principal designer of the Reagan administration's streamlined tax package. The long-unorthodox "supply-side" view toward tax revision — cutting taxes to encourage investment — that Mr. Ture and others have advocated has become White House orthodoxy.

It has been a long climb for Mr. Ture. Thirty years ago, fresh out of graduate studies in economics, Mr. Ture joined the Treasury's tax analysis staff, labored anonymously for several years as so many bright young men and women do, and then moved on to a congressional staff job.

Mr. Ture lost only one significant issue in the internal deliberations over the tax package's contents, according to an administration official. He would have liked Congress to drop the minimum tax that individuals pay on investment income to 50 percent from 70 percent in one year. The president's political advisers vetoed that on the ground it would look like too sweet a deal for the well-to-do and was sure to be rejected by the Democratic majority in the House.

Larger Victory

But Mr. Ture, according to allies within the administration, won a larger victory in that the White House rejected suggestions from some political strategists that the president attempt to preempt congressional tax writers by adorning his supply-side tax bill with such extraneous matters as relief for couples from the so-called marriage penalty and a research tax credit for business.

Mr. Ture, the administration's most learned supply-side economist, has moved during his years in Washington from center-left tax reform advocacy to center-right advocacy of tax incentives for investment, including measures that would primarily benefit the well-to-do.

Aside from the Reagan task force, he has served on the task forces of former Presidents John F. Kennedy and Richard M. Nixon.

Mr. Ture (the name rhymes with hoary) believes that cutting income tax rates across-the-board will unleash entrepreneurial risk-taking and individual productivity. That expectation, and the related belief that inflation will not be aggravated — and, in fact, will abate — form the essence of supply-side theory.

Mr. Ture's nomination has not been confirmed by the Senate, but no difficulty was expected.

Russians Reject Deal From Israel

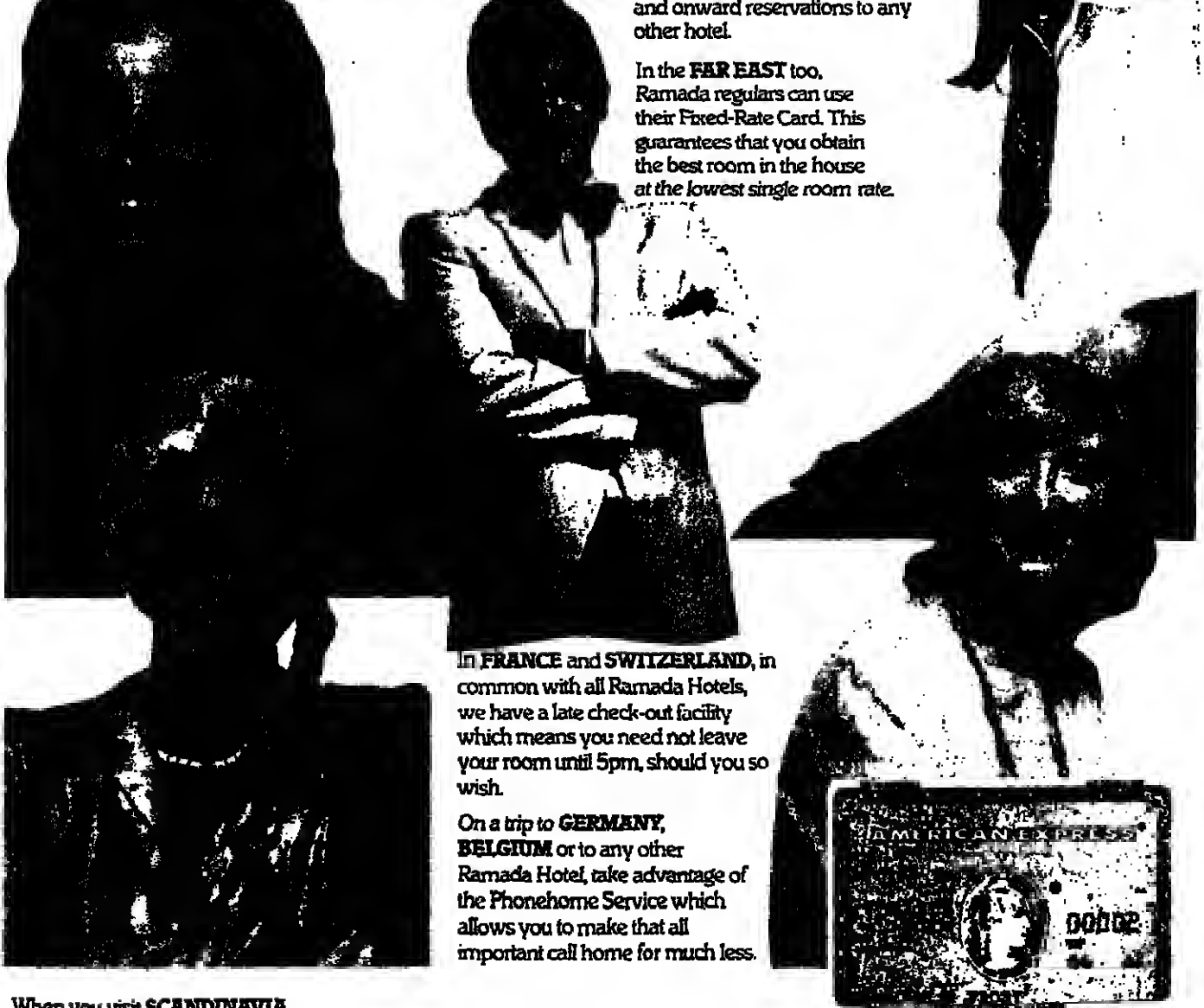
New York Times Service

TEL AVIV — The Soviet Union refused to accept about 1,000 Jewish items from Israel this month, apparently because Soviet officials disapproved of a Hebrew postcard appealing for contributions to the Israel Security Fund.

The Israelis resumed the postcard from their electronic sorting machines this week. "What's the good of mail running if it doesn't reach Jews in Russia," a post-office spokesman asked.

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By William Pfaff

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Walter V. Wells

Robert K. McCabe

Stephen Klaidman

Roland Pinson

René Bondy

Francis DeMott

Richard H. Morgan

John Knudsen Northrop Dead at 86; Airplane Designer Founded 2 Firms

GLENDAL, Calif. — John Knudsen Northrop, 86, an aviation pioneer who founded two aircraft companies and designed dozens of planes, has died of pneumonia, a hospital spokeswoman said Thursday.

Mr. Northrop, who was hospitalized last October, died Wednesday. He founded Northrop Aircraft Inc. and helped start Lockheed Aircraft Corp. He was responsible for the design of dozens of planes, including the Lockheed Vega, used by Amelia Earhart in her historic flight across the Atlantic; the Douglas A-17; the Douglas BT-1 dive bomber for the Navy; the Northrop Alpha, Beta, Gamma and Delta series of civilian aircraft; and the P-61 Black Widow, the first plane created specifically for night flying.

One of Northrop's most controversial designs was the so-called "flying wing," which the Air Force had planned to put into production after World War II but later canceled, Mr. Northrop said in 1978 that the cancellation was a government effort to force him into a merger. He said the propeller-driven wing would have provided greater fuel efficiency, range and load-carrying capacity.

Although he retired from his own company 26 years ago, Mr. Northrop kept in contact with other aviation pioneers, particularly the late Donald Douglas, creator of the DC-3. "Every major airplane in the skies today has some Jack Northrop in it," Mr. Douglas said of his friend in the 1940s.

OBITUARIES

David Garnett
LONDON (AP) — David Garnett, 88, one of the survivors of the Bloomsbury group of British writers and artists, has died at his home in Montcuq, France, his family reported Thursday.

Mr. Garnett died Tuesday. His best known novel was "Lady into Fox" published in 1922. He also edited the letters of T.E. Lawrence, which appeared in 1938.

Known as "Bunny" to his Bloomsbury friends, he was born into a noted literary family. His grandfather was superintendent of the reading room at the British Museum, his father was a publisher who fostered such writers as Conrad and Galsworthy, and his mother was translator of a standard English version of Tolstoy's "War and Peace."

U.S. Discloses Evidence Of Aid to Salvador Rebels

(Continued from Page 1)

Washington, D.C. — The State Department official said that Secretary of State Alexander M. Haig Jr. was considering new policies, including stepping up U.S. military aid. But he said, the main objective in the U.S. mission to Europe was to reverse a propaganda campaign accusing the United States of starting foreign involvement in El Salvador.

The U.S. official said that Washington had no evidence of financial support for the guerrillas from European Socialist groups, but he said that the European public held many misconceptions about the situation in El Salvador and the U.S. role there.

The junta, he said, had started a reform effort, including an extensive land reform program, largely funded through U.S. aid. While some of the rights death squads were protected by junta military officers, much of the killing was ordered by former landowners and extremists of the former regime, whose victims were not only leftists but also moderate supporters of the junta, he said.

The guerrilla movement was also using terrorist tactics to inflame the situation, he said, adding that El Salvador's population, caught in the middle, was disillusioned with both the guerrillas and the government.

Under the Reagan administration, he said, U.S. policy would be more activist in opposing Communist activities, partly because of the intelligence information about extensive outside involvement.

But human rights will not be forgotten, he said, adding that the FBI has been ordered to investigate Salvadoran exiles in Miami, some of whom were alleged to mastermind death squads in El Salvador.

U.S. Discloses Evidence Of Aid to Salvador Rebels

(Continued from Page 1)

Asked whether Nicaragua's leftist government had participated in the arms deliveries, he declined to answer, saying the U.S.-Nicaragua relations were under review. But he conceded that most of the weaponry was infiltrated via Nicaraguan territory.

This influx of weaponry last year dramatically improved the guerrillas' arsenal and emboldened them to embark on a military offensive last January, he said. This, in turn, caused the United States to step up its own military assistance to the government.

Asked why the Reagan administration initiated an unprecedented public campaign to explain its Central American actions in Europe, the State Department official said that Secretary of State Alexander M. Haig Jr. was considering new policies, including stepping up U.S. military aid. But he said, the main objective in the U.S. mission to Europe was to reverse a propaganda campaign accusing the United States of starting foreign involvement in El Salvador.

Ruling Is Sought Against Pretoria

GENEVA — Yugoslavia and 13 African, Asian and Middle Eastern countries have launched a bid to test the legitimacy of the South African government before the International Court of Justice. UN officials said Thursday.

The 14 want to seek the court's opinion on the right of South Africa to hold a place in the world community "in view of its policy of apartheid and denial of human rights." The others asking for a ruling are Burundi, Egypt, Ethiopia, Ghana, India, Iraq, Morocco, Nigeria, the Philippines, Senegal, Syria, Zaire and Zambia.

The initiative will be heard by the UN Human Rights Commission at its current six-week meeting here.



The Heeters at their Barsac chateau.

Wine U.S. Oenophile Takes Root in France

By Terry Robards
New York Times Service

BARSAAC, France — The 18th-century mansion with its tawny stucco walls and arched windows rises beyond a green lawn on the road through Barsac, about 20 miles south of Bordeaux. It is Chateau Nairac, a place where luscious white wines are produced, where some of the ambitions and dreams of Tom Heeter are coming true.

Heeter, a native of Dayton, Ohio, discovered wine 16 years ago on a trip to California and decided to devote his life to it. As a student at Columbia University, he began reading everything that he could find on the subject and began haunting the wine shops of New York City.

A few years later, amid the student rebellions of 1968, he left Columbia and went to work full time at the Sherry-Lehmann wine shop.

A Great Taste
Over lunch one day with Michel Tesseron, a young man from Bordeaux whom he had met at Sherry-Lehmann, he drank a Chateau Giscours 1962, one of the greatest wines he had tasted until then. The Giscours 1962 was one of the best reds made in Bordeaux that year, a wine capable of turning almost anyone into an oenophile for life.

Heeter decided he wanted to go to Bordeaux and learn the wine trade, so his friend Tesseron wrote to Pierre Tari of Chateau Giscours on his behalf. He arrived at Giscours in October, 1969, in the middle of the harvest, with his hessian hat and a new Volvo he had purchased at the Amsterdam airport. "I had all of two days of Berlitz French," he says. He met not only Pierre Tari but his sister Nicole.

Romance and Marriage
The Nairac vineyard then consisted of 27½ acres, since expanded to 37. It was all theirs for a reported \$150,000. It was paid over eight years. But it was inexpensive for good reason: not only was the property run down and in need of work, it was in Barsac, where sweet wines are made, delicious wines well known to connoisseurs, but out of favor with the wine-consuming public at large.

To make a dry wine in Barsac or neighboring Sauternes is to be defeated by the elements, to do something that Tom and Nicole Heeter would never consider doing, except perhaps as a sideline. The wines of Barsac are great precisely because of the intense, nectar-like sweetness that is achieved only with extreme difficulty. When they are vinified dry, they are dull, lacking in character and in no way special.

The sweetness is achieved only in certain vintages, when the weather conditions are ideal, when the grapes can be left hanging on the vines late in the autumn to gain extra ripeness.

Tom and Nicole Heeter bottled no wine under Chateau Nairac's name in 1977 or '78, and only portions of their crop were good enough to merit the name in 1979, 1975, 1974 and 1972.

Since they bought the chateau in 1971, only three times — in 1973, 1976 and 1980 — have they been able to bottle their entire crop. In the other years they have been forced to sell off at least a portion to be bottled simply as regional Barsac or Sauternes, without a chateau name.

Even in the best years, like 1980, Chateau Nairac produces only 2,200 cases. "Everything has happened right for us," says Tom Heeter, now 40 years old, who de-

Frank Diary To Be Tested
AMSTERDAM — The manuscript of "The Diary of Anne Frank," the tale of a girl's coming of age while hiding with her family from the Nazis, will undergo laboratory testing to prove its authenticity, the Dutch War Documentation Institute reported.

The institute was left the manuscript by Anne's father, Otto Frank, who died last August at the age of 91. He was the sole survivor of the eight Jews living in the Amsterdam canal house discovered by the Nazis on Aug. 4, 1944. Anne's diary covered a period of two years while the family and friends hid in a secret annex of the house.

Institute director Harry Paape said the manuscript would be sent to the Justice Ministry laboratory where experts would examine the manuscript, handwriting and ink.

He said the results would be included in a Dutch-language book to be published next year printing the diary in full for the first time. He said the new book will contain the so-called first and second versions of the diary and the version edited by her father, which omitted some portions in which Anne discusses disagreements with her mother and tells of the awakening to her sexual development.

Paris Exhibit Honors Playwright Evreinov

By Thomas Quinn Curtiss
International Herald Tribune

PARIS — The centenary of Nikolai Evreinov, the Russian dramatist, director, stage designer, production planner and poster artist, is being honored with an exhibition of his books, the Bibliotheque de l'Armenal (1 Rue Sully) under the auspices of the Bibliotheque Nationale and the Department des Arts du Spectacle. Evreinov, who died in Paris in 1953, remains the most influential Russian playwright since the death of Chekhov in 1904. Though he chose to quit the Soviet Union in 1925, his work is now being "rediscovered" three after 50 years of silence and neglect.

Born in Moscow, the son of a wealthy engineer and a mother of French extraction and artistic temperament, he was enrolled in his teens in the Imperial law school. It is perhaps significant that his theatrical contemporaries, Alexander Tairov, who founded the Kamerny Theater, and Diaghilev, also had legal training, an asset for impresarios.

After obtaining a law degree, he completed a course in composition at the St. Petersburg conservatory, where Rimsky-Korsakov and Glazunov were his masters, but decided against a career as a concert pianist.

His omnivorous reading led him to travel widely. Evidence of his journeys in thought are contained in his book "The Theater in Life" (translated into English and many other languages). In it he discusses the varying viewpoints of world-shakers of the period — Nietzsche, Tolstoy, Bergson, Freud and Wilde — and presents his discoveries on the theatrical instinct in nature and animals.

With the symbolists, he opposed the representational art of naturalism as practiced by Stanislavsky in the Moscow Art Theater.

Establishing his directorial ability with the production of D'Annunzio's "Francesca da Rimini," he embarked on program of the theater of antiquity, including liturgical drama and medieval miracle plays, and followed it with a one on the dramas of Spain's golden age of Calderon and Lope de Vega.

He opened a cabaret, The Crooked Mirror, in St. Petersburg to stage his own work, and that of the avant-garde literary and shocked the imperial censor by producing Soloukh's fantasy "Nocturnal Dances," with Leon Bakst's settings and Michel Fokine's choreography, in which he introduced nudity to the theater.

He brought back the commedia dell'arte in his playlet "A Merry Death," in which Columbine, Harlequin and a wistful, moonstruck Pierrot are the principals, and delved into the subconscious in his monodrama — or psychodrama — "The Theater of the Soul." In that bizarre piece the rational self and the emotional self battle for domination in a man's brain. His eternal self sleeps tranquilly during the argument, but awakens to move on after the man has shot himself.

After the 1917 Bolshevik revolt, the Russian stage, like Russia itself, was in a confused and divided

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Photography A Timely Review of Polish Pictures

PARIS
La Photographie polonaise, Centre Pompidou, to March 8.

This is a timely exhibition of Polish photography in view of the current situation but planned long before and assembled by the International Center for Photography in New York. It offers an insight into the history of Poland and of photography itself, a romantic beginning with pictorialism at the end of the last century, a realist passage during the '30s, dramatic force during the Warsaw ghetto uprising in 1944 and the modern searchings in the last decade that border on the abstract. Polish photography developed parallel to but on the fringe of the leaders, influenced mostly by its Western neighbor, Germany. It shows a large quantity of talent yet lacks an avant-garde perception except in the latest period. The most interesting part of the show is the Warsaw uprising; photographers in the entrenched city captured all the doomed heroism of ghetto fighters. A young woman studies her face in a hand mirror amid the rubble, her calm examination of herself and her beauty in sharp contrast with the atmosphere of fighting and the hope for survival. A series of blurred pictures made with a concealed camera in a forest shows a group of women walking, and if the caption did not say that they were going to the gas chambers the picture would be just a curious group-nude study. Speaking of captions, they are all too small. An appendix of pictures relating to recent developments in Poland does not fit in; the pictures are poorly chosen and without historical insight, not strong enough to evoke any kind of feeling.

Realism in Photography, Centre Pompidou, to April 20.
A small part of the "Les Realismes" exhibition, photography plays the most realistic role in the show. Pictures by August Sander, Lisette Model, Solomon Brauner, FSA photographers, Albert Renger-Patzsch and many others portray with force a turning point that photography took in that period. Leaving the paths of painting it took in the second part of 19th century, early photographs by Renger-Patzsch in Germany, Sieglitz at the Gallery 291, the F-64 in the United States and in the magazines Berliner Illustrierte Zeitung, Vu and Life started showing the world with maximum clarity.

Walker Evans, Galerie Baudoin Lebon, 36 Rue des Archives, Paris 4, to Feb. 28.
About 250 photographs from Evans' personal archives bought by Harry Lunn, a Washington dealer, raise the question of whether they should be looked at as an insight into an artist's private world, or as a chance to buy expensive memorabilia at astronomical prices (7,000 to 22,000 francs). Almost half of the pictures on show are badly printed, probably experimented with on papers and exposures; photographer does not seem to have been clearly not doing public viewing. The other half of the show consists of photos of U.S. urban and rural scenes, lack the best known and most interesting part of Evans' work, the part that made him one of the pillars of modern photography. Photographs of the Farm Security Administration project. Some of these can be seen at different museums (the Centre Pompidou, the "Les Realismes" exhibition and galleries (Zabrizkie, "New York Between Two Wars Eighty-by-10-inch prints" and "FSA period" can be seen from the Library of Congress, \$6 plus postage).

Florence Henri, Centre Pompidou, to March 22.
A visit to the Florence Henri show on the third floor is a after seeing "Les Realismes" example of experiments with in her portraits of nude, still life, fruit compositions, and self-portraits. A concert pianist and photographer, who became a student of Moholy-Nagy and Bauhaus, she is pure and a constructionist in her expressive very personal, with insight and total control of every detail.

ELSEWHERE
Robert Demachy, Palazzo Fortini San Marco, Venice, to March 22.
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DOUALA, Cameroon — Nancy Clark, Lou Bennett and Jimmy Gourley will be the feature attraction of the Club Manu Dikongo Feb. 20-March 7.

TOKYO — The Doogies will be at the Yubin Chokin Hall Feb. 23 at 8:30 p.m., followed by Chick Corea and Gary Burton on the 28th, also at 8:30.

HONGKONG — Jazz Business, featuring Tony Newbold, will be at the Arts Center Feb. 21 starting at 9 p.m. The Len Truist quintet will be there on the 28th at the same time.

LONDON — Rose Murphy and Major Kelly will be featured at Ronnie Scott's Feb. 23-March 7. Billy Butterfield is at the Peace Express Feb. 24-25. Jay McInnis is there Feb. 26 and March 1.

MUNICH — Art Blakey and the Jazz Messengers will be at the Domnick Club, Feb. 23-28.

DUESSELDORF — Judo Prize Fight will be at the Philharmonie Feb. 23 at 8 p.m.

COPENHAGEN — The Tundra Quintet will be at the C.G. Curris Feb. 24, followed by the Tundra Quintet Feb. 26th.

PARIS — Art Taylor is featured at the Theatre de la Ville Feb. 22. Frank Wright, Drew Brown and Bobby Four will be at the Theatre de la Ville Feb. 23-24. Stan Getz is in the suburbs of Paris Feb. 24 at the Alliance des Arts at 8:30 p.m. Jeffery Hall will be at the Theatre de la Ville Feb. 25 at 8:30 p.m. and the Singer at the Theatre de la Ville Feb. 25-28.

ON TOUR — Eddie (London) Club. Vincent of the Anarchist Orchestra Feb. 23-24. Stan Getz is in the suburbs of Paris Feb. 24-25. Jay McInnis is there Feb. 26 and March 1.

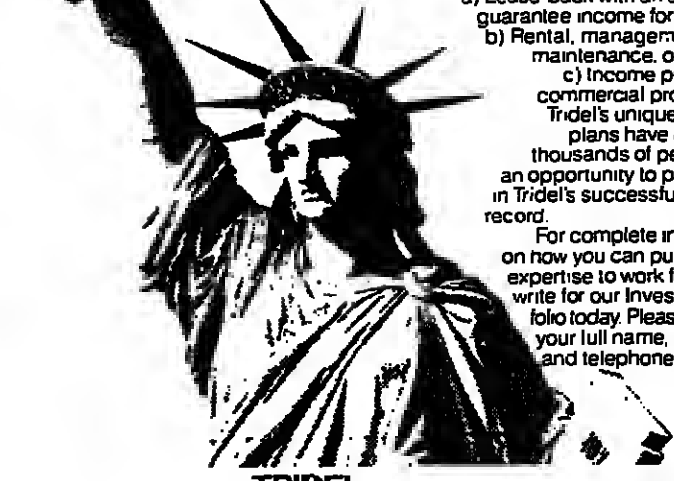
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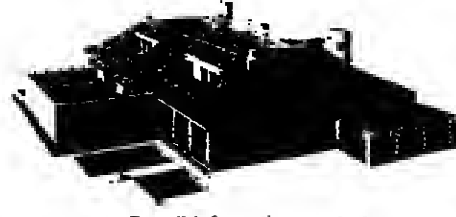


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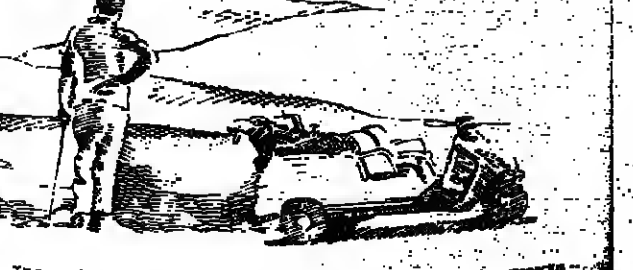
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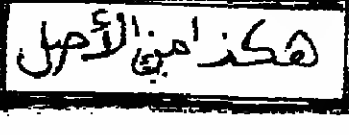
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Market Reacts to Reagan Cuts

(Continued from Page 1)

its intent is to drive short-term rates up. But as no one can know how long the move will last, and how much Bundesbank will refinance, market bankers expect the move to show a blanket of caution, their willingness to lend to term and further add to upward pressure on rates.

However, the main impact is expected to fall on banks by substantially increasing their refinancing rather than on West German industry. The banks will have to provide as much as 0.5 billion DM in outstanding Lombard credits which will be financed starting Friday by a new rate, which will be announced.

Bank President Karl Pöhl said that the advantage of the new system is that it is flexible and can be adjusted in line with fluctuations on international exchange and capital mar-

The cost of overnight money in West Germany moved sharply higher, quoted at 10-11 percent, from the previous 9 percent.

At the same time, the Bundesbank eliminated existing restrictions on nonresident purchases of domestic debt securities. Until now, paper with a maturity of less than two years could not be sold abroad. This obstacle to the inflow of foreign funds is now removed.

The Swiss central bank raised by a half percentage point both its discount rate, to 4 percent, and Lombard rate, to 5 percent. The action was dramatically timed to coincide with the Bundesbank's announcement but is regarded as much less significant than the West German move.

More to the point was the Swiss statement of concern about the acceleration of inflation stemming from recent developments in the currency market and its readiness "to combat these trends with the means it has at its disposal."

In New York, the dollar weakened substantially with considerable confusion about the level of U.S. short-term rates adding to all the other factors the market was trying to cope with. The dollar fell to around 2.1083 DM from an opening 2.1395 and 2.1730 late Wednesday.

The most pressing consideration in New York trading was the surprising drop in the cost of overnight money, the so-called federal funds, to less than 15 percent from more than 16 percent Wednesday.

Traders in New York were uncertain whether this represented an intentional lowering of rates by the Federal Reserve or whether the decline was simply a response in technical factors.



Kirk Kerkorian

Kerkorian to Sell All Columbia Holdings

By Robert E. Dallas

NEW YORK — Financial Kirk Kerkorian has agreed to sell his holdings in Columbia Pictures Industries for \$134.1 million ending nearly three years of wrangling between the millionaire and the filmmaker.

Mr. Kerkorian, who will get \$55 a share in cash and notes for his 2,438,700 shares of Columbia common stock, will more than double the investment he began to make in 1978, when the buying price averaged \$24 a share.

He will get \$37.50 a share in cash on Wednesday's agreement is consummated. The remaining \$17.50 will be payable in the form of notes bearing 6-percent interest due Jan. 31, 1983.

When he initially bought into Columbia, he said he was merely making an investment and had no designs on the company. He agreed not to seek a takeover for at least three years, an agreement that would have expired at the end of this year.

But last September, Mr. Kerkorian announced that he planned to take control of Columbia either directly or through a merger with MGM, of which he owns about 48 percent.

He said at the time that "since the execution of the agreement, events have transpired which warrant termination of the agreement." He expressed displeasure that Columbia did not inform him of important financial developments relating to the company.

Francis T. Vincent Jr., president and chief executive officer, said at the Columbia annual meeting recently that the battle had cost Columbia \$1 million in legal fees.

Mr. Vincent said in an interview Wednesday that Columbia would borrow most of the money to buy out Mr. Kerkorian. At the annual meeting, he had said that Columbia had at least \$100 million in its treasury for acquisitions. He said Wednesday, however, that that money was being used for film production.

Stephen Silber, Mr. Kerkorian's attorney, said the agreement and the money to be paid to Mr. Kerkorian have "nothing to do with MGM Grand Hotels and the fire. This is all Kerkorian's investment."

The financier owns 50 percent of MGM Grand Hotels. It is not yet known what that company's liability will be as the result of the fatal fire at the company's Las Vegas hotel-casino last November.

Anthony Hoffman, a leisure industry analyst with A.G. Becker who closely follows Columbia, said Mr. Kerkorian sold out because even if he won the litigation in the Las Vegas court he would still have problems taking over the company.

"I think he would have come out on top in the court fight," Mr. Hoffman said, "but then he would have had to pursue his announced desire of taking control. He would have had to pay a much higher price for the Columbia stock because the price would have gone up dramatically just because everyone knew he was about to buy."

"And then he would have ended up with a management that would have been uncooperative, and that was scary for him."

Mr. Hoffman said Columbia management, in paying \$37.50 in cash with the rest as a note, "is taking a smart step."

"This way, Columbia is fending off any possible shareholders suits," he said. "By paying out in cash roughly what the stock is selling at now, no shareholder can say 'Gee, they are paying him so much more than my own stock is worth.'"

"By giving him a note for \$17.50 payable in a couple of years, they are saying, 'We hope the stock will appreciate normally by that much in that time.' Then the stockholders will feel Kerkorian is getting the same amount of money that their stock is worth."

Mr. Hoffman also said that since Columbia is returning a fourth of its stock, its earnings per share should rise by 15 to 20 percent. This, he said, "might make the difference this year between an up year and a down year in earnings per share."

Jamaica Opens Auxite Talks

WASHINGTON, Jamaica — Prime Minister Edward Seaga has opened talks with auxite companies on their expansion plans here.

Mr. Seaga said the government is studying proposals to allow auxite companies to expand their operations. He said he may examine the structure of the auxite companies introduced by former Minister Michael Manley.

However, the sources do not expect Mr. Seaga to contemplate cuts in the levy — restructuring in 1979 to allow companies to pay lower charges if their production figures — particularly in the alumina sector — are up for about 60 percent of the total foreign exchange earnings last year.

Italy Gets Ultimatum To Explain Steel Ban

BRUSSELS — The European Economic Community Commission has given Italy a last chance to lift its restrictions on steel imports, a commission spokesman said Thursday. If Rome does not respond to the request for an explanation, the commission will take the Italian government before the Court of Justice.

In November, Italian authorities closed two-thirds of their checkpoints for steel imports, barring exports from east European countries and France. On Feb. 5, the commission gave Rome 10 days to answer the charge that the decision violates the Common Market treaty. The Italian government has not answered.

Japanese Steel Exports

TOKYO — Japanese exports of steel products fell 3.7 percent last year to 30.33 million metric tons, reflecting a 16.3-percent decline in sales to the United States, the Japan Iron and Steel Federation said Thursday.

COMPANY REPORTS

Company	Year	1980	1979
Canada			
Maranda Mines			
4th Quor.	1980	1798	1798
Revenue	746.0	746.2	746.2
Profits	54.2	54.2	54.2
Per Share	0.85	2.11	2.11
Year	1980	1979	1979
Revenue	2,205.0	2,205.0	2,205.0
Profits	408.4	394.5	394.5
Per Share	4.06	4.70	4.70
Britain			
Boc International			
1st Quor.	1980	1979	1979
Revenue	303.5	289.9	289.9
Profits	8.1	7.1	7.1
Per Share	1.77	1.49	1.49
Canada			
Husky Oil			
Year	1980	1979	1979
Revenue	1,206.0	1,024.0	1,024.0
Profits	92.1	92.1	92.1
Per Share	1.18	1.28	1.28
Japan			
Asahi Glass			
Year	1980	1979	1979
Revenue	471,870.0	228,970.0	228,970.0
Profits	23,250.0	17,220.0	17,220.0
United States			
Campbell Soup			
2nd Quor.	1980	1979	1979
Revenue	779.2	472.4	472.4
Profits	48.7	9.2	9.2
Per Share	1.28	1.19	1.19
Year	1980	1979	1979
Revenue	1,480.0	1,310.0	1,310.0
Profits	74.4	82.7	82.7
Per Share	2.29	2.11	2.11
Colgate-Palmolive			
4th Quor.	1980	1979	1979
Revenue	1,230.0	1,140.0	1,140.0
Profits	11.0	28.4	28.4
Per Share	0.51	0.35	0.35
Year	1980	1979	1979
Revenue	5,120.0	4,490.0	4,490.0
Profits	194.25	186.43	186.43
Per Share	2.40	2.28	2.28
West Germany			
Fruehauf			
4th Quor.	1980	1979	1979
Revenue	516.5	599.4	599.4
Profits	14.8	21.9	21.9
Per Share	1.21	1.79	1.79
Minnesota			
Year	1980	1979	1979
Revenue	13,040.0	12,040.0	12,040.0
Profits	1,040.0	1,040.0	1,040.0
Per Share	10.40	10.40	10.40

SEC in '81

WASHINGTON — The Securities and Exchange Commission Thursday has been informed by the Reagan administration that the commission will amend to Congress that the cut its personnel 5 percent by the end of this fiscal year.

If fiscal year 1982, the administration said it will seek an additional 3-percent SEC staff cut as of its overall program to cut spending, according to the NY.

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10-Year Breather

As his part of the agreement, Mr. Kerkorian promised not to repurchase Columbia stock or participate in any proxy fight for at least 10 years. Columbia said it would repay the note if at any time before Jan. 31, 1983, it issued more than 500,000 shares of its common stock in the aggregate, other than shares that would be used for employee benefit plans and conversion rights.

Tokyo Pacific Holdings N.V.

The Annual Report as of 31st December 1980 has been published and may be obtained from:

Pierson, Holding & Pierson N.V.
Herengracht 214 1016 BS Amsterdam

National Westminster Bank Limited
Stock Office Services
5th Floor Drapers Gardens
12 Throgmorton Avenue
London EC2P 2ES

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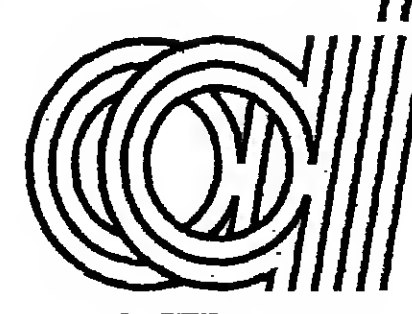
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P.O. Box 2088, Houston, Texas 77001
(713) 241-5651

البنك العربي الافريقي الدولي arab african international bank

	1980	1979
	US\$000	US\$000
ASSETS		
Cash and due from Banks	303,568	249,519
Time Deposits and Certificates of Deposit	681,256	423,307
Investments	77,738	60,164
Loans and Advances	1,072,873	699,882
Accrued Interest receivable and other Assets	53,458	43,213
Fixed Assets	29,314	11,235
Total Assets before Contingent Accounts	2,218,207	1,487,320
Clients' Liabilities for Letters of Credit and Letters of Guarantee	564,582	418,843
	2,782,789	1,906,163
LIABILITIES		
Customers' Current and Deposit Accounts	640,771	430,541
Banks' Current and Time Deposits	1,190,170	786,319
Facilities from Banks	105,758	53,693
Loan Capital	5,000	5,000
Proposed Dividends	12,000	7,700
Accrued Interest, Provision and other Liabilities	92,440	78,552
Minority Interests	9,951	2,659
Total Liabilities	2,056,085	1,364,464
SHAREHOLDERS' EQUITY		
Share Capital	100,000	70,000
Reserves	60,874	51,950
Undivided Profits	1,248	906
Total Shareholders' Equity	162,122	122,856
Total Liabilities and Shareholders' Equity before Contingent Accounts	2,218,207	1,487,320
Group's Liabilities for Letters of Credit and Letters of Guarantee	564,582	418,843
	2,782,789	1,906,163

Group Profit attributable to Shareholders US\$21,769,000.
Declared Dividends US\$12,000,000.

International Head Office: 44, Abdel Khalek Sarwat Street, Cairo, Telephone: 916710 - Telex: 92071 ARBFR UN.
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- OFFICE BUILDINGS
Total sq. ft. — 485,609
Total Investment — \$32,108,000
- OFFICE JOINT VENTURES
Total sq. ft. — 475,769
Total Investment — \$37,774,000
- LAND
Total Acres — 2420.8
Total Investment — \$3,923,786
- COMMUNITY SHOPPING CENTERS
Total sq. ft. — 1,395,081
Total Investment — \$41,320,700
- MID-MARKET MALLS
Total sq. ft. — 993,985
Total Investment — \$38,024,000
- REGIONAL MALL EXPANSION
Total sq. ft. — 535,136
Total Investment — \$10,000,000
- FREE STANDING K-MARTS
Total sq. ft. — 1,399,200
Total Investment — \$51,189,000
- PENDING TRANSACTIONS
Total sq. ft. — 535,412
Total Investment — \$25,754,000

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Quotations in Canadian funds

Table with columns: High, Low, Close, Chg. Lists various Canadian funds and their performance.

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Advertisement for convertible bonds.

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Toronto Stocks

Table of Toronto stock market data for February 19, 1981.

Eurocurrency Interest Rates

Table of Eurocurrency interest rates for various currencies.

European Stock Markets

February 19, 1981 (Closing prices in local currencies)

Amsterdam

Table of Amsterdam stock market data.

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Table of Paris stock market data.

London

Table of London stock market data.

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Table of Brussels stock market data.

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Summary of NYSE Most Actives for February 19, 1981.

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Table of Dow Jones bond averages.

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Table of Standard & Poors bond averages.

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Table of NYSE index data.

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Table of odd-lot trading data for February 19, 1981.

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Table of American most active stocks.

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WHEAT

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Table of soybean meal futures data.

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Table of U.S. Treasury debentures data.

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Table of London metals market data for February 19, 1981.

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Table of international monetary market data.

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Table of London commodities data.

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Table of Paris commodities data.

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Table of selected over-the-counter data.

Closing Prices, February 19, 1981

Table of closing prices for February 19, 1981.

NEW YORK (API)

Table of New York (API) data.

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Table of New York (API) data.

Cash Prices

Table of cash prices for February 19, 1981.

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Table of commodity index data for February 19, 1981.

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Table of dividend data for February 19, 1981.

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Table of new highs and lows for February 19, 1981.

POPULAR SUPPORT FOR EEC FALLS

Article text: POPULAR SUPPORT FOR EEC FALLS

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Article text: BRUSSELS - A EUROPEAN COMMUNITY

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Article text: THE GAP IS LARGE BETWEEN FULL SUPPORT OF THE ITALIAN

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Article text: HOWEVER, THE SURVEY SHOWED ALTHOUGH ONLY THE BRITISH

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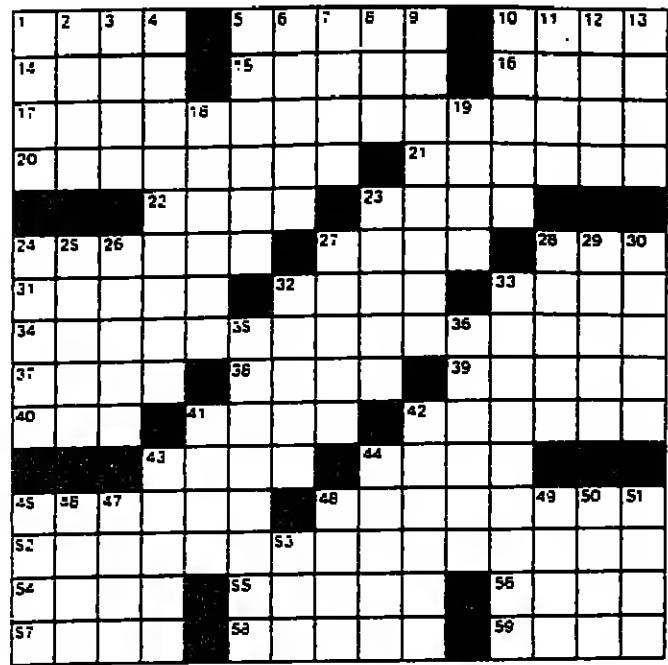
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Advertisement for BEAR STEARNS INTERNATIONAL CORPORATION.

Large advertisement for INTERNATIONAL HERALD TRIBUNE with subscription rates.

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5 Dished out
10 Where veal comes
14 Conspire
15 Gladden
16 "I cannot tell"
17 A star of 34 Across
20 Small tubes
21 Shipment from Vidalia, Ga.
22 Bambi
23 Pooch in a pound
24 Warm up a bit
27 Puerto
28 "whisker" (close)
31 Hokkaido port
32 Nonsense!
33 Rages
34 Billy Wilder (film: 1944)
37 Unique
38 "mutton" sleeve
39 Cantor or Condon
40 Drait initials
41 Art
42 Clergyman
43 Food fish
44 Unconscious state
45 East
48 Pitches wale
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56 "Help!" in Tours
57 Saw-bucks
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59 Bombast DOWN
1 Oil-carrel acronym
2 Actor Alan
3 Burg
4 Onlooker
5 Hoodgedge
6 Composer of "Dream of Gerontius"
7 Paves
8 SHAEF sector
9 Outlet, as for troops
10 Slangy command to a braggart
11 As well
12 V.I.P.
13 Boggy places
18 Contrite
19 Division word
23 Err
24 Everybody, in Ecuador
25 Cap and collar
26 Gaugun and Heineid
27 A Starr
28 Smetana heroine
29 Himalayan mysteries
30 Till now
32 Segment
33 French and 1754-63
35 Subatomic particle
36 Ethel, nee Zimmerman
41 Charles or Bill
42 "Greasy kid stuff"
43 I.o.u.'s
44 d'Azur and d'Or
45 Newspaper notice
46 Faddist's pursuit
47 Cleek or wedge
48 Bit of alphabet soup
49 Doubly curved molding
50 Keyless' subj.
51 Revue bit
53 G.I.'s address

Solution to Previous Puzzle
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R E A D E D
A B I L E S I M S M E A S I A
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R I G H T I F T Y L E L I C H T I R E
A L I E G S I T A S K I E N T

WEATHER

Table with columns for city, high, low, and weather conditions. Includes cities like ALGARVE, AMSTERDAM, ANKARA, ATHENS, AUCKLAND, BANGKOK, BEIRUT, BELGRADE, BERLIN, BRUSSELS, BUCHAREST, BUDAPEST, BUENOS AIRES, CAIRO, CASABLANCA, CHICAGO, COPENHAGEN, COSTA DEL SOL, OULIN, EDINBURGH, FLORENCE, FRANKFURT, GENEVA, HELSINKI, H.L. MINN CITY, HONG KONG, HOUSTON, ISTANBUL, JAKARTA, JERUSALEM, JOHANNESBURG, LAS PALMAS, LIMA, LISBON, LONDON, LOS ANGELES, MADRID, MANILA, MEXICO CITY, MIAMI, MILAN, MONTREAL, MOSCOW, MUNICH, NASSAU, NEW DELHI, NEW YORK, NICE, OSLO, PARIS, PEKING, PRAGUE, RIO DE JANEIRO, ROME, SAO PAULO, SEOUL, SINGAPORE, STOCKHOLM, SYDNEY, TAIPEI, TEHRAN, TEL AVIV, TOKYO, TUNIS, VENICE, WARSAW, WASHINGTON, ZURICH.

RADIO NEWCASTS BBC WORLD SERVICE

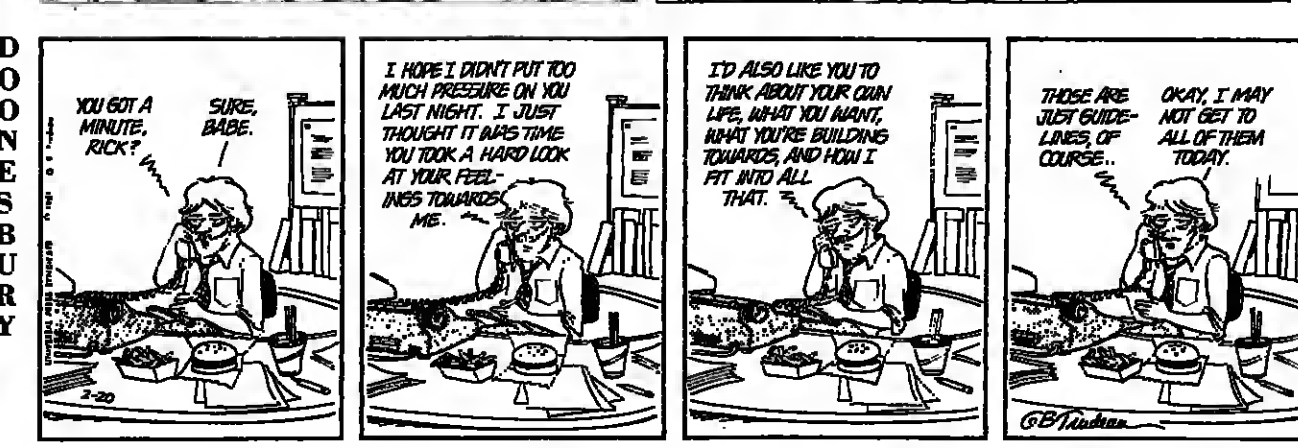
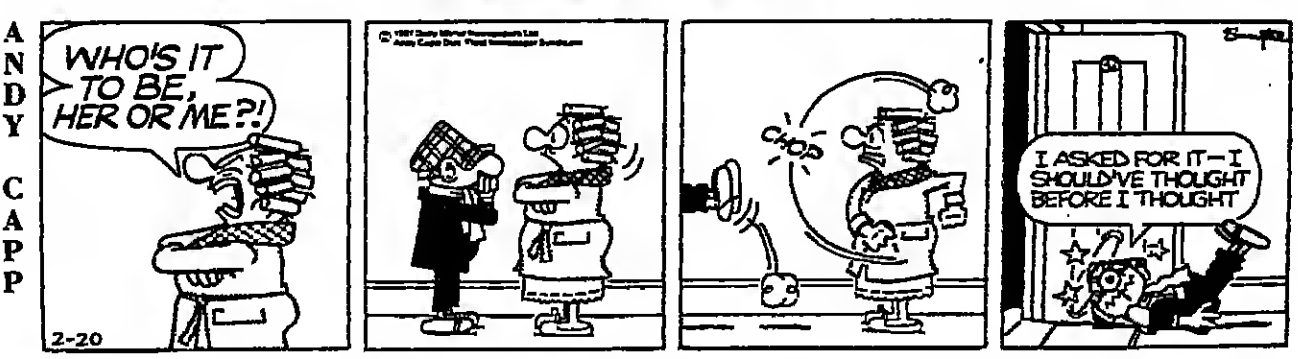
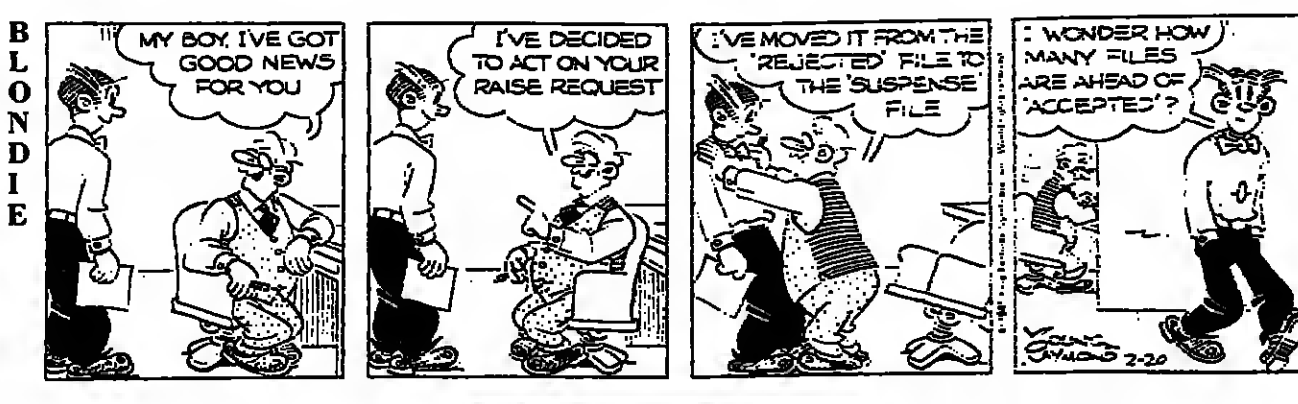
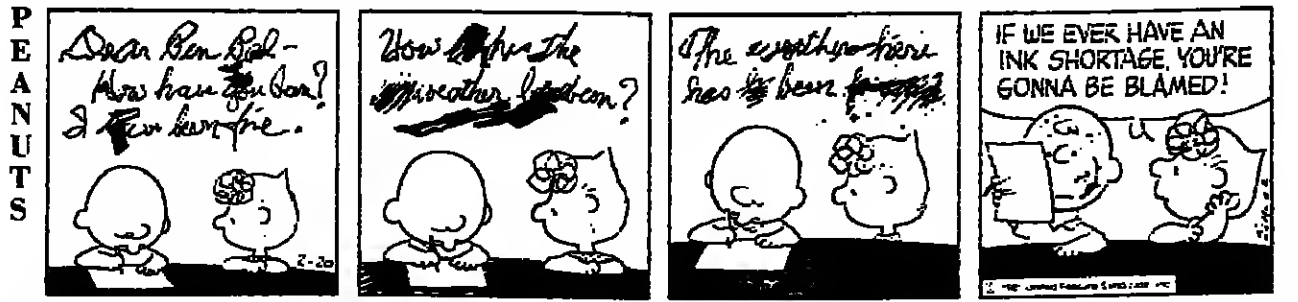
Broadcasts of 0600, 0900, 0930, 0940, 0950, 0955, 0959, 1000, 1005, 1010, 1100, 1300, 1400, 1700, 1800, 2000, 2200, 2300 1 AM times GMT.
Suggested frequencies:
Western Europe: 4875 Hz and 4834 Medium Wave, 5.975, 6.050, 7.120, 7.185, 7.255, 9.410, 9.750, 12.895 and 15.870 kHz in the 40, 41, 31, 25 and 19 meter bands.

VOICE OF AMERICA

The Voice of America broadcasts world news in English on the hour and at 20 minutes after the hour during varying periods to different regions.
Suggested frequencies:
Western Europe: KHz 15.245, 7.255, 6.060, 5.955, 3.980, 1.197, 7.92, 11.760, 9.760, 1.290 in the 19.7, 41.1, 47.5, 50.4, 75.7, 251 medium wave, 271 medium wave, 25.4, 30.7 and 232 medium wave meter bands.

Stranded in Mountain Snowstorm, U.S. Man Resorts to Costly Bonfire

KELOGG, Idaho — After being stranded four days in a mountain snowstorm, John R. Miles, a 56-year-old diabetic, figured that he did not have long to live. So he set fire to two cabins in an attempt to attract rescuers.
The cabins, however, turned out to be government-owned buildings — a bunkhouse constructed in 1943 and a garage built in 1935 — that the U.S. Forest Service had been trying for two years to get included in the National Historic Register. The final inspection was two weeks away.
Mr. Miles contended that he had a moral right to torch the buildings, but the U.S. Forest Service was seeking \$80,000 in restitution. "The federal government spends millions every year to save people, and all I did was spend a couple of thousand dollars to try and save myself," argued Mr. Miles, who was only being asked to pay for the damage and did not face prosecution.
The fires, incidentally, went unnoticed, but Mr. Miles was eventually discovered by some snowmobilers.

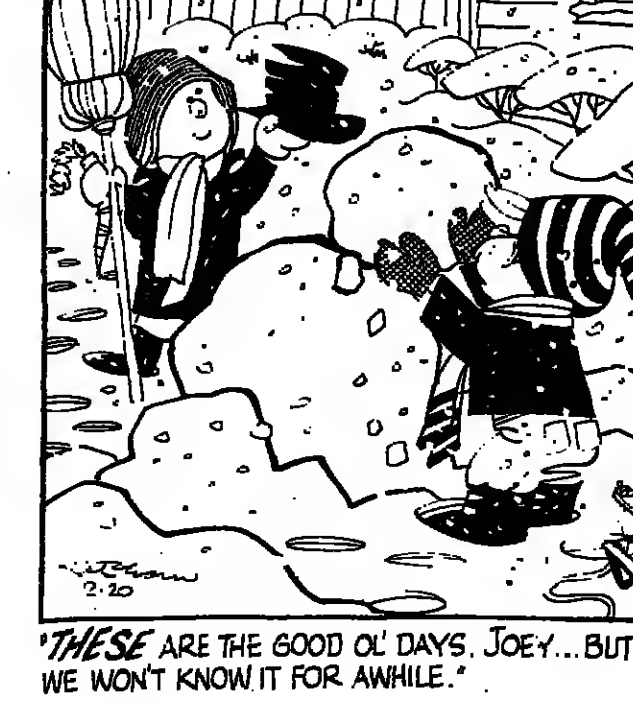


JUMBLE THAT SCRAMBLED WORD GAME

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.
KARCC
RINGO
INLOVI
CURPES
Answer: KARCC, RINGO, INLOVI, CURPES

Yesterday's Jumbles: PLUME SNACK ENDURE MAGPIE
Answer: Proverbially one should call it this — "A SPADE"

DENNIS THE MENACE



BOOKS

SAVANNAH BLUE
By William Harrison. Richard Marek. 287 pp. \$12.95
DEATH AND THE GOOD LIFE
By Richard Hugo. St. Martin's Press. 215 pp. \$10.95.
Reviewed by Anatole Broyard

I READ an interesting short story by William Harrison in Esquire and when I saw "Savannah Blue" I wondered what kind of suspense novel he would write. My first impression is that he hasn't tried hard enough. The book reads as if it had been carelessly, even condescendingly, written.
Though crime fiction has become more literate in the last 20 years, there are still lots of unskillful writers in the field who sell very well. Some of them are good at tying plots into knots, others have a convincing familiarity with police or intelligence work, still others know how to maintain pace. And then some bad writing is like an old friend from army days. We suspend our critical faculty in a spirit of camaraderie and regression.
But "Savannah Blue" is poorly written in the wrong ways. Harrison tricks out inadequate craft with bad art. One of his characters is given to lucubration. "Things die on us," he reflects as he lies in bed, "we die on each other, we die of ourselves." Another character ruminates. "One swerves toward death," he muses, "or there is no real and deeply felt knowledge. So he wanted a soul adventure, a purpose so serious, a risk so lonely and dreadful and primitive that he could finally know himself in a spiritual ecstasy."
This might be OK, might even be acceptable as crime fiction, but if the rest of the book were readable, but it isn't. There is not one believable character in "Savannah Blue," and the person who comes nearest is unceremoniously and anti-climactically killed early on. The women in the book are particularly exasperating. They seem to be unconsciously for or against sex, among other things.
There are all sorts of small signs of simple unconsciousness on Harrison's part. How can he write a sentence like "be tried not to no-ice James' fallen expression. How do you try not to do something you have already done?" The mistake, which makes it a common one, is not understood that it is the use of suspense-fiction who is being tried to regress, not the writer.
Richard Hugo is also a writer, a poet and essayist, and has managed to hold on to some of his virtues in "Death and Good Life." His "Death and Good Life" is not only a deplorable short story, but a poem as well. He may be the poet in the United States who read Rilke but not Baudelaire, aside from that, he's just as disarming.
Barnes is more interesting women's "bottoms" than a dress, which shows what poets can do for suspense fiction. It has a nice old-fashioned Dan Hammond-Raymond Chan fondness for the laborer in Barnes' police uniform impression, but about as much as death of Jean Harlow.
The action of "Death and Good Life" is appropriately voluted. Hugo would sooner erogate than fall short. There are giants who murder in three acts, a nymphomaniac who a black maid for sadistic fantasy, a suggestion of sexual violence case of "incest" — everything heart desires in light reading.
Every now and then the poet peeks through. Hugo, lives and teaches in Montana, a talent for describing small town towns. In these towns, you all one can ask of crime fiction isn't it — to be able almost to imagine it, to read an author smart enough to stay out of way and let us lose ourselves in peace.
Anatole Broyard is on the staff of The New York Times.

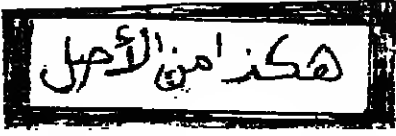
AZTEC
By Gary Jennings. Atheneum.
Illustrated with endpaper maps. 754 pp. \$15.95.
Reviewed by Christopher Lehmann-Haupt

AYYO! — as the characters in Gary Jennings' dazzling and hypnotic historical novel are wont to exclaim. The bishop of the See of Mexico in New Spain writes at least one true thing in the reports he sends to Emperor Don Carlo. Mixtil, the 63-year-old Indian narrator of the chronicle accompanying the bishop's reports, is indeed "an Acoluis with an inexhaustible bag of wind" and a "human eagle" who "cannot be restrained." Mixtil's autobiography goes on for more than 700 word-cramped pages.
It has sex — my goodness, it has sex! It has violence! Mixtil recounts on page 31 a violent incident of a quarry worker killed in two by a slab falling such force that it seals both of the body closed, he is clearing his throat. And the book is filled with revenge, though of what Jennings dreams up to satisfy his characters' blood is simply too cruel and elaborate to summarize in this space.
But the revenge provided of the fuel for the drama Mixtil's history. The violence serves a constructive purpose. And the novel's most fascinating aspect, which is the way the Mixtil, unconsciously re-created life of the Indian god Quetzalcoatl who is said to have committed sin so grievous that he gave leadership of his people and offered to sea in a canoe. This peculiar dimension of "Aztec" is above the level of a mere historical potboiler.
As for the novel's historical accuracy. Scholars will doubt squawk that this is history as strip. But Jennings claims have spent 10 years steeping self in history, exploring the raphy of Mexico, living among descendants of his own studying ancient ruins, and of participating in certain customs that haven't changed for 500 years. He even claims have learned Nahuatl, and flavored Mixtil's narrative with special cadences.
Certainly the prose has a tinctive melody. And certain leaves a powerful impression whether it is true to the cult poetry or not. The book originally published last year, which means I should have read it on sooner. But now the delayed doing so, you've got the book to get lost in for the winter; if you happen to be looking for one.

Moreover, Mixtil, being fictional, has the license to have been present at the significant turning points in the 50-year decline and fall of the Aztec kingdom, which are not at all fictional. He has explored the length and width of "The One World" which is now the country of Mexico. He has lived among exotic peoples. He has experienced both ecstasy and appalling tragedy. He has accustomed to the bloodiness of human sacrifice. He's shrewd, funny, wise, courageous and lacking the smallest trace of hypocrisy. Indeed his tonal, or fate, is to see and speak the truth, no matter how painful it may prove to others. Best of all, as Jennings' mouthpiece, Mixtil is an absolutely marvelous storyteller.
Indeed "Aztec" has everything that makes a story vulgarly appealing, in the best sense of the phrase.
Christopher Lehmann-Haupt is on the staff of The New York Times.

BRIDGE

By Alan Traus
ON the diagrammed deal, the declarer brought home the slam by a neat psychological play. He reached six spades after aggressive bidding by his partner. Encouraged by the position of three aces, she moved toward slam when South showed a powerful suit; despite a lack of trump support.
A minor suit lead would have sealed South's fate, but West chose to lead a heart, perhaps hoping to talk South out of a finesse if the dummy produced an A-Q combination. This did the defense no harm on the face of it but gave the declarer valuable time.
South won in dummy with the ace and made the fine play of leading a low club at the second-trick. East summed, rather naively, that South held the jack, and played his king, so dummy's queen eventually provided a discard for the diamond loser and the slam was made. Notice that the slam would still have been safe if West had held the club king, for the king would be taken later to play the diamond loser.



The Rising Black Star of Women's Tennis

By James F. Clarity

New York Times Service

Yugo St. Martin's Press Inc.

viewed by Anatole Bregman

SAVANNAH, Ga.

Richard Black

17TH AND THE CORNER

viewed by Anatole Bregman

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She explained how the serve could frustrate an opponent: "Because of my height, the ball I serve starts out higher and bounces up on the other side at a sharper angle. Instead of her getting it here (she levels her hand near her chest), she gets it here — shoulder height. My serve had never been used, but it might be as fast as 100 mph."

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"None of my friends played tennis," she said of her youth in Washington, D.C., but she added, although tennis was not popular among blacks during her youth, her mother, Sarah, played in local tournaments. That led to the birthday present.

"So I Got Inspired" She played sporadically but did not get seriously interested in the sport until after her parents had been divorced and she was living with her father and going to Cleveland High School in Cleveland.

"The school had no sports for women," she said. "I couldn't sing or twirl a baton and I was too tall to be a cheerleader. But they had a boys' tennis team." So, in her senior year, she won a place on the boys' team.

"They told me I couldn't play because I was a girl," she said. "So I got inspired." As the team moved into a state tournament, she was hurt because of a regulation against the sexes opposing each other in sports.

"We threatened to take them to court, the Ohio Athletic Association, and then the rule was changed," she said. "I was matched against one of the best players, a boy. They threw me to the dogs, but I backfired. That player couldn't make it, and the boy I played was not so good. I beat him."

She won enough and studied enough to get academic and tennis scholarships at Southern Cal. There, she played on one of the country's best women's teams, with Barbara Hallquist, Diane Deaf and others who went on to play professionally. Allen, after having graduated, planned her career.

"I decided to play professionally," she said, "and to be a world-class player within five years." In 1977 the Pyramid Tennis Association, a predominantly black organization in New York, backed her with \$4,000 for a three-month playing trip, mostly in Australia, to get experience and a ranking.

By the following year, she was ranked 17th worldwide; by this year, she had jumped to 39th. "I can tell, so I play an aggressive game," said Allen, 5 feet 10 inches tall and 145 pounds. "I use a backhand and come to the net."

She explained how the serve could frustrate an opponent: "Because of my height, the ball I serve starts out higher and bounces up on the other side at a sharper angle. Instead of her getting it here (she levels her hand near her chest), she gets it here — shoulder height. My serve had never been used, but it might be as fast as 100 mph."

Allen, who has won games but not matches from such top players as Lloyd and Martina Navratilova, said her weaknesses on the court were "tapes in concentration, nerves" and, sometimes, her height.

"You're tall," she said, "so you know you can get to a ball by taking one step. But in position to take three steps, get in position to forehand the ball. I used to take my skills for granted. I knew if I missed an easy one, I could always slim back on the hard ones. Before, I didn't pay a lot of attention to easy shots. Now, I try to."

Until she became a pro, she said, she was "unaware of, unaffected by" racial discrimination in tennis. "Now I see it sometimes," she said. During the Detroit tournament, she said, she was practicing at a private club when a manly white member approached and said: "You know, little girl, you're a good little player. You ought to be in that tournament downtown."

That was what Allen described as "nonnegative" racism. But in the first round at Detroit, she said, she experienced genuine racism in the behavior of a white male spectator at a court side.

After having won the first set, she said, she began to notice that each time she made a poor shot, the man clapped briefly but loudly. "At first, I thought he was for the other player," she said. "Then I realized he was not clapping for her good shots, only for my bad ones. He made me realize I was making bad shots on easy balls. He was like a coach, teaching me with his clapping. My whole goal was to shut this man up."

She won the match and the tournament and flew to New York to spend time with her mother, whose stage name is Sarallean and who is appearing in "Weep Not For Me," a production of the Negro Ensemble Company.

Between tennis and visits with her mother, Allen also talks to groups of young black women, telling them that tennis is wide open to them and a good way to get college scholarships and to make a living. So far this year, she has made about \$40,000 and she is guaranteed \$9,200 if she qualifies for the eight-player Avon field. The winner gets \$100,000.

Allen bought the brownstone house in Harlem, near the City College campus, last year. "I didn't know Harlem at all," she said. "I thought it was just like what you always hear about it."

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Erwin Vandenberg, partly obscured by a defender, watches his goal give Belgium a 2-0 lead in Wednesday night's European Group 2 World Cup qualifying soccer match with Cyprus. Although Belgium outlasted Cyprus, 3-2, on Jan. 20, the Brussels crowd of 20,000 booed the winners off the field for a lackluster effort against Group 2's weakest team.

'81 Phillies Riddled With Question Marks

The Associated Press
PHILADELPHIA — Manager Dallas Green of the world champion Philadelphia Phillies is confronted with a raft of question marks as he prepares to get his squad at Clearwater, Fla., training base.

Will the Phils keep longtime star Greg Luzinski, and if they do, can the outfielder regain his all-star form? If he does, what do you do with Lonnie Smith, a budding star?

Can Pete Rose, who will be 4

